

Technical Guide on Charges- Registration, Modification and Satisfaction under the Companies Act, 2013 and LLP Act, 2008



Corporate Laws & Corporate Governance Committee
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

**Technical Guide on Charges-
Registration, Modification and
Satisfaction under the Companies Act
2013 and LLP Act 2008**



Corporate Laws & Corporate Governance Committee
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

© THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

All rights reserved. No part of this publication may be translated, reprinted or reproduced or utilized in any form either in whole or in part or by any electronic, mechanical or other means, including photocopying and recording, or in any information storage and retrieval system, without prior permission in writing from the publisher.

DISCLAIMER:

The views expressed in this book are of the author(s). The Institute of Chartered Accountants of India may not necessarily subscribe to the views expressed by the author(s).

The information cited in this book has been drawn from various sources. While every effort has been made to keep the information cited in this book error free, the Institute or any office of the same does not take the responsibility for any typographical or clerical error which may have crept in while compiling the information provided in this book

First Edition : January, 2021

Committee/Department : Corporate Laws & Corporate Governance Committee

E-mail : clcg@icai.in

Website : www.icai.org

ISBN : 978-81-8441

Price : ₹ 100/-

Published by : The Publication Department on behalf of The Corporate Laws & corporate Governance Committee, The Institute of Chartered Accountants of India, ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi-110 002

Foreword

The Debt Finance is gaining popularity with the coming times. Almost every individual, LLP, Companies and body corporates borrows money from bank, financial institutions, co-operatives etc. for meeting their day to day requirements.

Over the years the Government of India has also made stringent laws in this matter keeping in view the lender's interest and the rate of default in repayment. The Ministry of Corporate Affairs has made it obligatory for the companies having charges to register the creation, modification and satisfaction of charges whether the same has been created in India or out of India along with the other legal and procedural formalities. Though for the LLPs it has not been mandated however as a matter of transparency, if the LLP wishes to register their charge(s) they can do so.

It was perceived that technical guidance was required in this area to equip the members, industry, banks and financial institution with the processes to be adhered to with respect to the legal formalities on Charges.

In this regard, the Institute of Chartered Accountants of India (ICAI) through its Corporate Laws & Corporate Governance Committee (CL&CGC) is bringing this "Technical Guide on Charges - Registration, Modification and Satisfaction under the Companies Act, 2013 and LLP Act, 2008" to provide detailed guidance on the procedural aspects for clear interpretation and understanding of the Act and changes brought in the Act.

I appreciate the Corporate Laws & Corporate Governance Committee (CL&CGC) in bringing this publication which is so useful for our members. I extend my sincere appreciation to CA. Chandrashekhar V. Chitale, Chairman, CA. Durgesh Kabra, Vice-Chairman and other members of the Corporate Laws & Corporate Governance Committee to bring out this important publication at this point of time.

I am sure that the members and other interested readers would find the publication immensely useful.

CA. Atul Kumar Gupta
President, ICAI

Date: 04th January, 2021

Preface

As we all know that the creation of finance, itself requires finance and this is evident from the fact that most crucial and initial decision in starting-up a business venture is the infusion of money. One of the methods of arranging finance these days is through borrowing money from Banks, Financial Institutions etc. by creating a charge on the property or assets of the lendee.

The companies source their finance from secured borrowings and provisions governing them have been defined in the Companies Act, 2013 which mandates them to register the charges within a set of given timelines and any modification or satisfaction of the same has to be mandatorily intimated to Registrar of Companies. Any delay or failure to adhere the requirements attracts hefty penal consequences. In spite of the same, it has been witnessed that many corporates fails to comply with the same for the reasons that they are not equipped with the procedures to be adhered to.

The Companies Act, 1956 required only certain transaction of charges to be registered that were contained in the pre-defined list. However, the Companies Act, 2013 omitted the same and by virtue of it, wide definition of 'charge' became functional, requiring each and every charge to be registered with ROC in addition to the list provided in Co. Act 1956.

To facilitate the understanding, interpretation and procedural formalities relating to creation, modification and satisfaction of charge the Corporate Laws & Corporate Governance Committee decided to bring out a publication: Technical Guide on Charges-Registration, Modification and Satisfaction under the Companies Act 2013 and LLP Act, 2008. The publication has been designed in a simple way to facilitate the members in understanding the procedural aspects involved in registration of charges.

Our sincere thanks to CA. Atul Kumar Gupta, President ICAI and CA. Nihar Niranjana Jambusaria, Vice-President ICAI for their encouragement and support in bringing out the publication.

We wish to place on record my sincere thanks to the members of the group CA. Priti Savla, CA. Avinash Rawani, CA. Kusai Gowawala, CA. Ruta Chitale and CA. Mehul Shah who have contributed for bringing out this publication with valuable inputs.

We also wish to take this opportunity to thank all the Committee members, Special Invitees for their suggestions, support and guidance in finalizing this guide.

We commend the efforts made by the Secretary to the Committee CA Sarika Singhal and her team comprised of Ms Seema Jangid, CA. Deepa Agarwal and CA. Nikita Aggarwal for providing their technical and administrative support.

We sincerely believe that the members of the profession, banks, financial institution, industries and other stakeholders will find the publication immensely useful.

CA. Chandrashekhar Vasant Chitale
Chairman,
Corporate Laws & Corporate
Governance Committee, ICAI

CA. Durgesh Kumar Kabra
Vice-Chairman,
Corporate Laws & Corporate
Governance Committee, ICAI

Date: 29th December, 2020

Contents

1	Introduction to the handy guide on Charges	1
1.1	Charges which requires filing:	3
1.2	Particulars required to be filed with the Registrar:	4
1.3	Duty to Register Charges (Sec 77)	4
1.4	Application for Registration of Charge (Sec 78)	5
1.5	Registration of Charges to apply in certain matters (Sec 79)	6
2	Registration of Creation or Modification of Charge	7
3	Right of Charge holder to recover from the Company	8
3.1	Verification of Instrument	8
3.2	Application to Registrar	8
3.3	Date of Notice of Charge (Sec 80)	9
4	Certificate of Registration	10
5	Register of Charges to be kept by Registrar (Sec 81)	11
6	Satisfaction of Charge	12
6.1	Company to Report Satisfaction of Charge (Sec 82)	12
6.2	Power of Registrar to Make Entries of Satisfaction and Release in Absence of Intimation from Company (Sec 83)	12
7	Intimation of Appointment of Receiver or Manager (Sec 84)	14
8	Company's Register of Charges (Sec 85)	15
8.1	Manner of keeping register of charges	15
8.2	Inspection of charges during business hours	15
9	Punishment for Contravention (Sec 86)	16
10	Reports for certificates for Special Purposes	17
11	Unique Document Identification Number (UDIN)	18
11.1	Generation of UDIN for the certifications of forms filed	18

12	Rectification by Central Government in Register of Charges (Sec 87).....	19
	12.1 Rectification due to omission.....	19
13	Highlights of the Companies Act, 2013	20
14	FAQ's on Registration of Charges.....	21
15	Elaboration of various forms in relation to charges of the Companies	24
	15.1 Forms for LLP in relation to Charges	28
16	Procedure for Charges	30
	16.1 The forms and formats of certificates:	30
	16.2 Procedure for Filling Up Forms	31
	16.2.1 Common fields in the related forms:	32
	16.3 Form CHG-1	33
	16.4 Form CHG-4	43
	16.5 Form CHG -6	47
	16.6 Form CHG -8	49
	16.7 Form CHG -9	53
17	Suggested Formats for Affidavit & Petition	58

Chapter-1

Introduction to the Handy Guide on Charges

This is a quick guide for Chartered Accountants facilitating filing of forms relating to creation, any modification and satisfaction of charges by companies availing secured loans from banks, finance companies and various institutions or any other person, whether in India or from out of India.

It is observed that, since lenders interests are affected, charge created is promptly registered, however, registration of charge satisfaction remains at the back burner, even though failure or delay attracts unpleasant consequences. Chartered Accountants are associated with corporates in various capacities and can receive information about borrowings. They can make value addition by ensuring compliance with provisions of the law, in time and in totality. This guide will provide quick guidance to this end.

The effort has been made to include all procedural formalities along with necessary inputs of law. Reference of sections/ rules and web links are also provided for ready reference. In case of difficulty, it is advised to read provisions of applicable law and rules at the prevailing time.

Companies are availing loans from various sources as there are restrictions on borrowings based on the nature of the company and its financial position. Ahead of registering charges, chartered accountants can ensure that the underlying legal provisions have been adequately addressed.

This publication focuses on the procedural formalities for creation, modification and satisfaction of charge. It is observed many a times that the financiers are keen to register the charges at the time of granting the loans to the Companies/LLP, however, when the loans are repaid, there is a requirement for registration of satisfaction of charges which, at times, escapes attention and it creates the problems when the company is seen errant in corporate governance compliance.

Under the Companies Act, 2013, it is mandatory to register the charge as per Chapter VI of the Companies Act, whereas in respect of LLP, registration of charges is optional, however, on the ground of prudence to have more transparency to give more reliability to an organisation, LLP may also register.

TG on Charges- Registration, Modification and Satisfaction under ...

A discussion in respect of Registration of Charges in respect of LLP is given in Birds Eye View of Forms for LLP.

What is Charge?

As per Section 2(16) of the Companies Act, 2013, "Charge" means an interest or lien created on the property or assets of a company or any of its undertakings or both as security and includes a mortgage.

It is the obligation of every corporation to register with the Registrar of Companies specific charges made by the corporation on its assets. The reason for registration of charge is to offer public notice towards those who contemplate giving credit to the corporation on how far the property of the corporation is encumbered.

In compliance with the Companies Act, corporations are required to file particulars of a charge within 30 days of the creation thereof; or else the charge is void against the liquidators and the creditors of the corporation.

The company may borrow monies by providing security of its assets and may create a lien on the properties of the company. The company may also issue debentures to raise funds which may carry a right/ interest in the Assets/Properties of the company. A charge is a way of security to the creditor/lender of his interest/right on the properties of the company for the amounts due to him by the company.

There are mainly two types of charges:-

1. **Fixed Charge:** This type of charge is created against a specific identifiable and defined property. The property under charge is identified at the time of creation of charge. The nature and identity of the property does not change during the existence of the charge. The company can transfer the property charged only subject to that charge so that the charge holder or mortgage must be paid first whatever is due to him before disposing off that property.
2. **Floating Charge:** This type of charge is available only to companies as borrower. A Floating charge does attach to any definite property but covers the property of a circulating and fluctuating nature such as stock-in-trade, debtors, etc. It attaches to the property charged in the varying conditions in which happens to be from time to time. Such a charge remains dormant until the undertaking charge ceases to be a going concern or until the person in whose favour charge created takes steps

Introduction to the Handy Guide on Charges

to crystallise the floating charge. A floating charge on crystallisation becomes a fixed charge.

As mentioned above, under the Companies Act 2013, any finance facility against pledge of any assets requires creation of charge by filing necessary forms with MCA. Under the Companies Act 1956, such finance facilities against pledge of any asset were exempt from creation of charge (Section 125 of the Companies Act 1956).

The LLP Act, 2008- There is no provision to get the charge registered under the LLP Act, 2008 and LLP Rules, 2009 but if any charge is created, modified or satisfied then it has to be mentioned in Statement of Account and Solvency in FORM-8 within a period of 30 days from the end of 6 months of the financial year to which Statement of Account and Solvency relates. Further, a detailed overview of the Form 8 has been given in para 15.1.

1.1 Charges which requires filing:

In the Companies Act, 1956 there was a list of transactions on which registration of charge was mandatory. With the enactment of the Companies Act, 2013, the list of charges requiring mandatory registration has been done away with. Thus, in the absence of a specific list of charges to be registered, and the wide definition of the word “charge”, ‘pledges’ and ‘liens’ are also required to be registered.

As per section 125(4) of the Companies Act 1956, the following charges were required to be filed with the Registrar of Companies (ROC).

- a charge for the purpose of securing any issue of debentures;
- a charge on uncalled share capital of the company;
- a charge on any immovable property, wherever situate, or any interest therein;
- a charge on any book debts of the company;
- a charge, not being a pledge, on any movable property of the company
- a floating charge on the undertaking or any property of the company including stock in trade
- a charge on calls made but not paid;
- a charge on a ship or any share in a ship;

TG on Charges- Registration, Modification and Satisfaction under ...

- a charge on goodwill, on a patent or a license under a patent, on a trade mark, or on a copyright or a license under a copyright.

1.2 Particulars required to be filed with the Registrar:

Following particulars in respect of each charge are required to be filed with the Registrar:

1. date and description of instrument creating charge;
2. total amount secured by the charge;
3. date of the resolution authorizing the creation of the charge (in case of issue of secured debentures only);
4. general description of the property charged;
5. a copy of the deed/instrument containing the charge duly certified or if there is no such deed, any other document evidencing the creation of the charge to be enclosed;
6. In case the documents are not in Hindi or English language, a translation of the same duly certified by a responsible officer of the Company is required.
7. list of the terms and conditions of the loan; and
8. name and address of the charge holder.

1.3 Duty to Register Charges (Sec 77)

It shall be the duty of every company to register with the Registrar :-

1. Creating a charge within or outside India,
2. on its property or assets or any of its undertakings, whether tangible or otherwise, and situated in or outside India,
3. to register the particulars of the charge signed by the company and the charge-holder together with the instruments, if any, creating such charge in such form,
4. on payment of such fees and in such manner as may be prescribed,
5. with the Registrar within thirty days of its creation.

Introduction to the Handy Guide on Charges

The Registrar may, on an application by the company, allow such registration to be made with extended timelines as follows:

- a) in case of charges created before the commencement of the Companies (Amendment) Act, 2019, within a period of three hundred days of such creation and if not made within that period, the registration of the charge shall be made within six months from the date of commencement of the Companies (Amendment) Act, 2019, on payment of such additional fees as may be prescribed and different fees may be prescribed for different classes of companies: or
 - b) in case of charges created on or after the commencement of the Companies (Amendment) Act, 2019, within a period of sixty days of such creation, on payment of such additional fees as may be prescribed, if not made within that period, the Registrar may, on an application, allow such registration to be made within a further period of sixty days after payment of such advalorem fees as may be prescribed.
6. Where a charge is registered with the Registrar as stated above, he shall issue a certificate of registration of such charge in such form and in such manner as may be prescribed to the company and, as the case may be, to the person in whose favour the charge is created.
 7. No charge created by a company shall be taken into account by the liquidator appointed under this Act or the Insolvency and Bankruptcy Code, 2016, as the case may be, or any other creditor unless it is duly registered and a certificate of registration of such charge is given by the Registrar as provided above.
 8. Nothing shall prejudice any contract or obligation for the repayment of the money secured by a charge.

1.4 Application for Registration of Charge (Sec 78)

Where a company fails to register the charge within the period of thirty days without prejudice to its liability in respect of any offence under Chapter VI of the Companies Act, 2013, the person in whose favour the charge is created may apply to the Registrar for registration of the charge along with the instrument created for the charge, within such time and in such form and manner as provided and the Registrar may, on such application, within a period

TG on Charges- Registration, Modification and Satisfaction under ...

of fourteen days after giving notice to the company, unless the company itself registers the charge or shows sufficient cause why such charge should not be registered, allow such registration on payment of such fees, as may be prescribed.

In case, registration is affected on application of the person in whose favour the charge is created, that person shall be entitled to recover from the company the amount of any fees or additional fees paid by him to the Registrar for the purpose of registration of charge.

1.5 Registration of Charges to apply in certain matters (Sec 79)

The provisions relating to registration of charges shall be applicable to company acquiring any property subject to a charge within the meaning of that section; or where any modification in the terms or conditions or the extent or operation of any charge registered is required.

Chapter-2

Registration of Creation or Modification of Charge

For the criteria provided in section 77, section 78, section 79 for registration of charge, the particulars of the charge together with a copy of the instrument, if any, creating or modifying the charge in Form No.CHG-1 (for other than Debentures) or Form No.CHG-9 (for debentures including rectification), shall be duly signed by the company and the charge holder which shall be filed with the Registrar within a period of thirty days of the date of creation or modification of charge along with the fee.

Further, if such particulars of charge are not filed in the manner stated above such creation or modification shall be filed in Form No. CHG-I or Form No. CHG- 9 within the period as specified in section 77 on payment of additional fee or advalorem fee as prescribed in the Companies (Registration Offices and Fees) Rules, 2014.

Chapter-3

Right of Charge holder to recover from the Company

Where the company fails to register the charge as stated above and the registration is affected on the application of the charge-holder, such charge-holder shall be entitled to recover from the company the amount of any fees or additional fees or advalorem fees paid by him to the Registrar for the purpose of registration of charge.

3.1 Verification of Instrument

Circumstances under which copy of every instrument evidencing any creation or modification of charge which is required to be filed with the Registrar in pursuance of section 77, 78 or 79 are as follows:

- a) where the instrument or deed relates solely to the property situated outside India, the copy shall be verified by a certificate issued either under the seal, if any, of the company, or under the hand of any director or company secretary of the company or an authorised officer of the charge holder or under the hand of some person other than the company who is interested in the mortgage or charge;
- b) where the instrument or deed relates, whether wholly or partly, to the property situated in India, the copy shall be verified by a certificate issued under the hand of any director or company secretary of the company or an authorised officer of the charge holder.

3.2 Application to Registrar

For reasons stated in Para 1.3 (b), the Registrar may, on being satisfied that the company had sufficient cause for not filing the particulars and instrument of charge, if any, within a period of thirty days of the date of creation of the charge including modification thereto, allow the registration of the same after thirty days but within the period as specified in the said proviso, on payment of fee, additional fee or advalorem fee, as may be applicable, as prescribed in the Companies (Registration Offices and Fees) Rules, 2014.

Right of Charge holder to recover from the Company

Also, application under para 1.3 (1) to (5) shall be made in Form No. CHG-I and Form No.CHG-9 supported by a declaration from the company signed by its company secretary or a director that such belated filing shall not adversely affect the rights of any other intervening creditors of the company.

3.3 Date of Notice of Charge (Sec 80)

Where any charge on any property or assets of a company or any of its undertakings is registered under section 77, any person acquiring such property, assets, undertakings or part thereof or any share or interest therein shall be deemed to have notice of the charge from the date of such registration.

Chapter-4

Certificate of Registration

Certificate of registration shall be issued under following conditions :-

1. Where a charge is registered with the Registrar, he shall issue a certificate of registration of such charge in Form No.CHG-2
2. Where the particulars of modification of charge are registered, the Registrar shall issue a certificate of modification of charge in Form No. CHG-3
3. The certificate issued by the Registrar shall be the conclusive evidence that the requirements of Chapter VI of the Act and the rules made thereunder as to registration of creation or modification of charge, as the case may be, have been complied with.

Chapter-5

Register of Charges to be kept by Registrar (Sec 81)

The Registrar shall, in respect of every company, keep a register containing particulars of the charges registered under Chapter VI in such form and in such manner as stated:-

1. The particulars of charges maintained on the Ministry of Corporate Affairs portal (www.mca.gov.in/MCA21) shall be deemed to be the register of charges for the purposes as mentioned in this section.
2. The register shall be open to inspection by any person on payment of fee.

Further, the register shall be open to inspection by any person on payment of such fees as may be prescribed for each inspection.

Chapter-6

Satisfaction of Charge

A company or charge holder shall within a period of three hundred days from the date of the payment or satisfaction in full of any charge registered under Chapter VI, give intimation of the same to the Registrar in Form No.CHG-4 along with the fee.

Further, where the Registrar enters a memorandum of satisfaction of charge in full in pursuance of section 82 or 83, he shall issue a certificate of registration of satisfaction of charge in Form No.CHG-5.

6.1 Company to Report Satisfaction of Charge (Sec 82)

The Registrar may, on an application made by the company or the charge holder, allow such intimation of payment or satisfaction to be made within a period of three hundred days of such payment or satisfaction on payment of such additional fees as may be prescribed.

Further, the Registrar shall, on receipt of intimation as stated above, may cause a notice to be sent to the holder of the charge calling upon him to show cause within such time not exceeding fourteen days, as may be specified in such notice, as to why payment or satisfaction in full should not be recorded as intimated to the Registrar, and if no cause is shown, by such holder of the charge, the Registrar shall order that a memorandum of satisfaction shall be entered in the register of charges kept by him under para 5 and shall inform the company that he has done so.

Where the intimation is made to the Registrar [in the specified form](#) and signed by the holder of charge, no notice is required to be sent.

6.2 Power of Registrar to Make Entries of Satisfaction and Release in Absence of Intimation from Company (Sec 83)

The Registrar may upon his satisfaction with respect to any registered charge:-

- a) that the debt for which the charge was given has been paid or satisfied in whole or in part; or

Satisfaction of Charge

- b) that part of the property or undertaking charged has been released from the charge or has ceased to form part of the company's property or undertaking,

enter in the register of charges a memorandum of satisfaction in whole or in part, or of the fact that part of the property or undertaking has been released from the charge or has ceased to form part of the company's property or undertaking, as the case may be, notwithstanding the fact that no intimation has been received by him from the company.

The Registrar shall inform the affected parties within thirty days of making the entry in the register of charges maintained.

Chapter-7

Intimation of Appointment of Receiver or Manager (Sec 84)

If any person obtains an order for the appointment of a receiver of, or of a person to manage, the property, subject to a charge, of a company or if any person appoints such receiver or person under any power contained in any instrument, he shall, within a period of thirty days from the date of the passing of the order or of the making of the appointment, give notice of such appointment to the company and the Registrar along with a copy of the order or instrument and the Registrar shall, on payment of the prescribed fees, register particulars of the receiver, person or instrument in the register of charges.

Further, any person appointed stated above, shall on ceasing to hold such appointment, give to the company and the Registrar a notice to that effect and the Registrar shall register such notice.

Such notice of appointment or cessation of a receiver of, or of a person to manage, the property, subject to charge, of a company shall be filed with the Registrar in Form No. CHG.6 along with fee.

Chapter-8

Company's Register of Charges

(Sec 85)

Every company shall keep at its registered office a copy of the instrument creating the charge alongwith register of charges in such form and in such manner as may be prescribed, which shall include therein all charges and floating charges affecting any property or assets of the company or any of its undertakings, indicating in each case such particulars as may be prescribed.

8.1 Manner of keeping register of charges

1. Every company shall keep at its registered office a register of charges in Form No. CHG.7 and enter therein particulars of all the charges registered with the Registrar on any of the property, assets or undertaking of the company and the particulars of any property acquired subject to a charge as well as particulars of any modification of a charge and satisfaction of charge.
2. The entries in the register of charges maintained by the company shall be made forthwith after the creation, modification or satisfaction of charge, as the case may be.
3. Entries in the register shall be authenticated by a director or the secretary of the company or any other person authorised by the Board for the purpose.
4. The register of charges shall be preserved permanently and the instrument creating a charge or modification thereon shall be preserved for a period of eight years from the date of satisfaction of charge by the company.

8.2 Inspection of charges during business hours

The register of charges and instrument of charges that are maintained 8 shall be open for inspection during business hours—

- a) by any member or creditor without any payment of fees; or
 - b) by any other person on payment of such fees as may be prescribed,
- subject to such reasonable restrictions as the company may, by its articles, impose.

Chapter-9

Punishment for Contravention

(Sec 86)

If any company contravenes any provision of Chapter VI of Registration of Charges of the Companies Act, 2013, the company shall be punishable:-

- With fine which shall not be less than one lakh rupees but which may extend to ten lakh rupees, and
- Every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, or with both.

Further, if any person willfully furnishes any false or incorrect information or knowingly suppresses any material information, required to be registered, he shall be liable for action under section 447 of the Companies Act, 2013.

Chapter-10

Reports for Certificates for Special Purposes

Compliances of Guidance Note on Audit Reports and Certificate for Special Purposes

Professional engaged for the formation of company or any related assignments taken thereafter needs to ensure that the requirements stated in the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Auditing and Assurance Standard Board is being followed.

As per the said Guidance Note, the professional engaged for such work needs to obtain the requisite appointment letter stating the terms and conditions as well as the purpose of engagement is clearly mentioned. It is also recommended that the written representations be taken before certification of any forms and also that if there are any changes subsequently, either by the appointee or by the professional, such change of opinions are properly documented, to ensure that the work is done smoothly and the understanding between the appointee and the professional is fully documented. The evidences on the basis of which the work is done will help the professional in future for the Peer Review, if the firm is covered or for any other queries in future raised by any Authorities as any certification done by the Professional is covered under Section 447 and Section 448 of the Companies Act, 2013, which too will help in safeguarding the interest of the professional.

For the benefit of the professional, the Illustrative formats of the certificates are available in Appendix II of the said Guidance Note which can to be suitably modified as required.

The said Guidance Note can be downloaded from the following link <https://resource.cdn.icaai.org/43452aasb-gn-rcsp.pdf>

Chapter-11

Unique Document Identification Number (UDIN)

11.1 Generation of UDIN for the certifications of forms filed

UDIN is a 18 digit system generated unique number for every document certified/attested by practicing Chartered Accountant has been made mandatory for certificates issued on the basis of records being maintained under Companies Act, 2013 and applicable provisions under the said Act with effect from 1st February, 2019. The said UDIN so generated is required to be mentioned on each such form certified by the Practicing Chartered Accountant to ensure that the said form is not attested by third person misrepresenting themselves as CA Members;

Digital Signature is being used for certification of any forms filed online on the portal of MCA. Digital signature is duly recognized under Section 5 of the Information Technology Act, 2000 and has the same effect as affixing the physical signature, if done in the prescribed manner. There is no place to mention the UDIN in the Forms digitally signed and uploaded on the portal of MCA, but UDIN needs to be mandatorily generated within 15 days from the date of digitally signing the form and kept on record. For necessary clarifications etc. the details are available on the website of UDIN and the link to download is <https://udin.icai.org/faqs>

Chapter-12

Rectification by Central Government in Register of Charges (Sec 87)

The Central Government may suggest rectification of omission or misstatement on being satisfied under following circumstances where —

- a) the omission to give intimation to the Registrar of the payment or satisfaction of a charge, within the time required under this Chapter; or
- b) the omission or misstatement of any particulars, in any filing previously made to the Registrar with respect to any such charge or modification thereof or with respect to any memorandum of satisfaction or other entry made in accordance with para 6.1 or para 6.2.

was accidental or due to inadvertence or some other sufficient cause or it is not of a nature to prejudice the position of creditors or shareholders of the company.

12.1 Rectification due to omission

For rectification in register of charges on account of omission or misstatement of particulars in charge previously recorded and extension of time in filing of satisfaction of charge shall follow the mentioned terms:-

The Central Government may on an application filed in Form No. CHG-[8](#),

- a) direct rectification of the omission or misstatement of any particulars, in any filing, previously recorded with the Registrar with respect to any charge or modification thereof, or with respect to any memorandum of satisfaction or other entry made in accordance with the law.
- b) direct extension of time for satisfaction of charge, if such filing is not made within a period of three hundred days from the date of such payment or satisfaction."

Chapter-13

Highlights of the Companies Act, 2013

VI	77- 87	REGISTRATION OF CHARGES ⌘ All types of charge created would be required to be registered with ROC. (Section 77) ⌘ The Registrar may, on an application by the company, allow following registration to be made – ✓ in case of charges created before the commencement of the Companies (Amendment) Act, 2019, within a period of three hundred days of such creation; or ✓ in case of charges created on or after the commencement of the Companies (Amendment) Act, 2019, within a period of sixty days of such creation, on payment of such additional fees as may be prescribed. ✓ Further, if registration is not made within the period mentioned, and then registration has to be done within six months from the commencement of the Companies (Amendment) Act, 2019 along with the additional fees. ✓ If the charges are prescribed in consultation with Reserve Bank of India, the provisions of Section 77 shall not apply. ⌘ If any Company contravenes then provisions of the Act, shall not be less than INR 1 lakh with imprisonment not less than six months. (Section 86(1)) ⌘ If any person willfully furnishes any false or incorrect information or knowingly suppresses any material information required to be registered in accordance with the provisions of section 77, he shall be liable for action under section 447. (Section 86(2))
----	--------	---

Chapter-14

FAQ's on Registration of Charges

Q1: What is Charge?

A1: According to Companies Act, 2013 section 2(16), "Charge" means an interest or lien created on the property or assets of a company or any of its undertakings or both as security and includes a mortgage.

Q2: What are the Charges for which filing is required?

A2: As per section 125(4) of the Companies Act 1956, the following charges are required to be filed with the Registrar of Companies (ROC).

- a charge for the purpose of securing any issue of debentures;
- a charge on uncalled share capital of the company;
- a charge on any immovable property, wherever situate, or any interest therein;
- a charge on any book debts of the company;
- a charge, not being a pledge, on any movable property of the company
- a floating charge on the undertaking or any property of the company including stock in trade
- a charge on calls made but not paid;
- a charge on a ship or any share in a ship;
- a charge on goodwill, on a patent or a license under a patent, on a trade mark, or on a copyright or a license under a copyright.

Q3: What is date of notice of charge as per Companies Act, 2013?

A3: Where any charge on any property or assets of a company or any of its undertakings is registered under section 77, any person acquiring such property, assets, undertakings or part thereof or any share or interest therein shall be deemed to have notice of the charge from the date of such registration..

Q4: When can a Certificate of registration be issued?

TG on Charges- Registration, Modification and Satisfaction under ...

A4: Certificate of registration shall be issued in cases :-

1. Where a charge is registered with the Registrar under Para 1.2 (1) to (5) or Para 1.3, he shall issue a certificate of registration of such charge in Form No.CHG-2
2. Where the particulars of modification of charge is registered under Para 1.4, the Registrar shall issue a certificate of modification of charge in Form No. CHG-3
3. The certificate issued by the Registrar under Para 4 (1) and (2) shall be the conclusive evidence that the requirements of Chapter VI of the Act and the rules made thereunder as to registration of creation or modification of charge, as the case may be, have been complied with.

Q5: What is Satisfaction of Charge?

A5: A charge is created as security for loan or debentures or as security for some other purpose. If the amount of loan is repaid or debentures are fully paid or other purpose is fulfilled, there remains no necessity of the charge, the date of complete payment of debt towards which the charge on assets of the company was created is called satisfaction of charge.

Q6: Is it mandatory to maintain Register of Charges?

A6: Yes, every company shall keep at its registered office a register of charges in Form No. CHG.7 and enter therein particulars of all the charges registered with the Registrar on any of the property, assets or undertaking of the company and the particulars of any property acquired subject to a charge as well as particulars of any modification of a charge and satisfaction of charge.

Q7: For how long the Register of Charges be maintained?

A7: The register of charges shall be preserved permanently and the instrument creating a charge or modification thereon shall be preserved for a period of eight years from the date of satisfaction of charge by the company

Q8: Who can inspect the Register of Charges?

A8: The Register of Charges can be inspected during business hours by

FAQ's on Registration of Charges

any member or creditor without any payment of fees; or by any other person on payment of such fees as may be prescribed

Q9: Whether there is need to create charge on the personnel guarantee of the Promoters?

A9: As per principle rule, Personnel guarantee of the Promoters are not assets of the Company. Therefore, there is no need to create charge on the personnel guarantee of the promoters.

Q10: There are two Companies A Pvt Ltd and Z Pvt Ltd. A Pvt Ltd took loan from the Bank and Z gave guarantee on its property.

- **Whether Charge will be created in A Pvt Ltd?**
- **Whether charge will be created in Z Pvt Ltd?**

A10: As per principle rule, In the above situation Z is giving its assets as security to bank for loan to A, therefore assets of the Z is involved charge will be create in the Z Pvt Ltd. Here assets of the A are not involved in the security, therefore no need to create charge in A Pvt Ltd.

Q11: Whether charge can be created on future assets of the Company?

A11: Future assets are not part of the assets side of the balance sheet of the Company. A company can't create security on the same. Therefore, there is no need of creation of charge on the future assets of the Company.

Q12: Who can authenticate the entry in the Register of Charge?

A12: Entries in the register shall be authenticated by a director or the secretary of the Company or any other person authorized by the Board for the purpose.

Q13: Whether provision of charge will be applicable on One Person Company?

A13: The provisions of this chapter shall apply mutatis mutandis to One Person Company.

Elaboration of various forms in relation to charges of the Companies

Form No	Form CHG-1	Form CHG-4	Form CHG-6	Form CHG-8	Form CHG-9
Purpose	Creation or Modification of Charge, Charge ID mandatory in case of Modification of Charge (except for debentures)	Particulars for Satisfaction of Charge	Notice of Appointment or Cessation of Receiver/ Manager	Application to CG for extension of time for registration of satisfaction of charge or rectification of omission or mis-statement of any particulars at the time of creation/ modification/ satisfaction of charge	Creation or Modification/ Rectification of Charge, Charge ID mandatory in case of Modification/ Rectification of Charge (for Debentures)
Who can file	Company through its Director or Manager CS or CEO or CEO (in case of Indian	Company through its Director or Manager CS or CEO or CEO (in case of Indian	Person Appointing Receiver or Manager	Company through its Director or Manager CS or CEO or CEO (in case of Indian	Company through its Director or Manager CS or CEO or CEO (in case of Indian

	Company or AR in case of foreign company. Charge holder can also file the Form, without the signature of the Company	Company or AR in case of foreign company		Company or AR in case of foreign company	Company or AR in case of foreign company. Charge holder can also file the Form, without the signature of the Company
Due Date	30 days from the date of creation/ modification, maximum 60 days in certain cases with additional fees in case of charge creation.	30 days from the date of satisfaction of charge	30 days from the Date of Order of the Court/ Appointment/ Cessation	-	30 days from the date of creation/ modification, maximum 60 days in certain cases with additional fees in case of charge creation.
Maximum Time Limit Allowed after the due date	Within 180 days with additional fees as per the applicable time of delay as per different classes of company	Within 180/300 days with Additional fees as per the applicable time of delay as per different classes of company	-	-	Within 180 days with additional fees as per the applicable time of delay as per different classes of company
Attachments	Instrument for	Letter from the	Copy of instrument	Instrument for	Copy of Resolution

Elaboration of various forms in relation to charges of the Companies

	creation/ Modification of charge Particulars of Joint Charge Holders, if any Declaration (Refer Note-1)	Charge holder confirming the satisfaction of charge amount. Charge ID	appointing receiver/ manager; Copy of court order; List of specified property of the company in case the appointment relates to specified property of the company List of specified property of the company in case the appointment relates to income arising from specified property of the company	creation/ Modification of charge. Letter of Authority Board's Resolution to file the Application Affidavit Confirmation from Charge Holder Balance Sheet & Annual Return in which form was filed for rectification	Authorising the Issue of Debenture Series Instrument for creation/Modification of charge. Order of the Central Government for rectification of charge, if any Declaration (Refer Note-1)
Digital Signatures Required	Director or Manager or CS or CEO or CFO (for Company) Charge Holder, ARC- if it is a party,	Director or Manager or CS or CEO or CFO (for Company) Charge Holder, ARC- if it is a party,	Person Appointing Receiver or Manager	Director or Manager or CS or CEO or CFO (for Company) Charge Holder, ARC- if it is a party	Director or Manager or CS or CEO or CFO (for Company) Charge Holder, ARC- if it is a party,

TG on Charges- Registration, Modification and Satisfaction under ...

	Practising Professional (CA, CS or ICWA)	Practising Professional (CA, CS or ICWA)			Practising Professional (CA, CS or ICWA)
Filing Fees	Based on Authorised Capital and Type of Company Maximum Rs 6000/-	Based on Authorised Capital and Type of Company Maximum Rs 6000/-	Based on Authorised Capital and Type of Company Maximum Rs 6000/-	Based on Authorised Capital and Type of Company Maximum Rs 20000/-	Based on Authorised Capital and Type of Company Maximum Rs 6000/-
Additional Fees plus Advalorem Fees	Additional Fees up to 12 times of the Normal fees plus Advalorem Fees up to 6 times of Normal Fees	Additional Fees up to 30 times of the Normal fees, based on the period of delay	Additional Fees up to 12 times of the Normal fees based on the period of delay	-	Additional Fees up to 12 times of the Normal fees plus Advalorem Fees up to 6 times of Normal Fees
Remarks	Powers vested with the Charge Holder to register the charge if not registered by the Company	Company to Apply to Central Government (NCLT) for condonation of delay in Form CHG-8 and after receipt of Order from Central Government, to file Form INC-28		Powers now vested with NCLT.	Powers vested with the Charge Holder to register the charge if not registered by the Company

Elaboration of various forms in relation to charges of the Companies

TG on Charges- Registration, Modification and Satisfaction under ...

Note : When the company fails to register the charge in accordance with the sub-rule (1) of Section 77, the Company has to give the declaration signed by its Company Secretary or a Director that such belated filing shall not adversely affect the rights of any intervening creditors of the Company. The filing fees will be payable as per the Schedule of Fees given in the www.mca21.gov.in

15.1 Forms for LLP in relation to Charges

Form No	e-Form LLP-8
Purpose	Filing of Statement of Account, Solvency
	To use Appendix to Statement of Account and Solvency for the Particulars for Creation or Modification or Satisfaction of charges by an LLP
Who can file	Designated Partner or Authorised Representative.
Due Date	30 days from the date of creation/modification/Satisfaction of charge
Maximum Time Limit Allowed after the due date	No such restriction
Attachments	Instrument for creation/Modification of charge Instrument evidencing creation/Modification of charge in case of Acquisition of Property is subject to charge Particulars of Joint Charge Holders, if any Letter of charge holder stating that the Amount has been satisfied
Digital Signatures Required	Designated Partner or Authorised Representative. (for LLP) Charge Holder, ARC- if it is a party, Practising Professional (CA, CS or ICWA)
Filing Fees	Based on Nominal Capital Maximum Rs 600/-
Additional Fees	Rs. 50/- per day for the delayed number of days after the period no upper limit.

Elaboration of various forms in relation to charges of the Companies

Form No	e-Form LLP-8
Remarks	There is no separate form under LLP for creation or modification of charge, the same has been included in e-Form LLP8 and accordingly the said form has to be used.
Is Registration of Charge compulsory?	No. It is optional.

Chapter-16

Procedure for Charges

16.1 The forms and formats of certificates:

S.No.	E- Forms	Purpose
1.	CHG-1	Creating or Modifying the Charge (for other than Debentures)
2.	CHG-2	Certificate of registration
3.	CHG-3	Certificate of modification of charge
4.	CHG-4	intimation of the satisfaction to the Registrar
5.	CHG-5	Memorandum of satisfaction of charge (Certificate of Satisfaction of Charge)
6.	CHG-6	Notice of appointment or cessation of receiver or manager
7.	CHG-7	Register of charges
8.	CHG-8	Application for condonation of delay shall be filed with the Central Government
9.	CHG-9	Creating or modifying the charge in (for debentures including rectification)
10.	CHG-10	Application for delay to the registrar

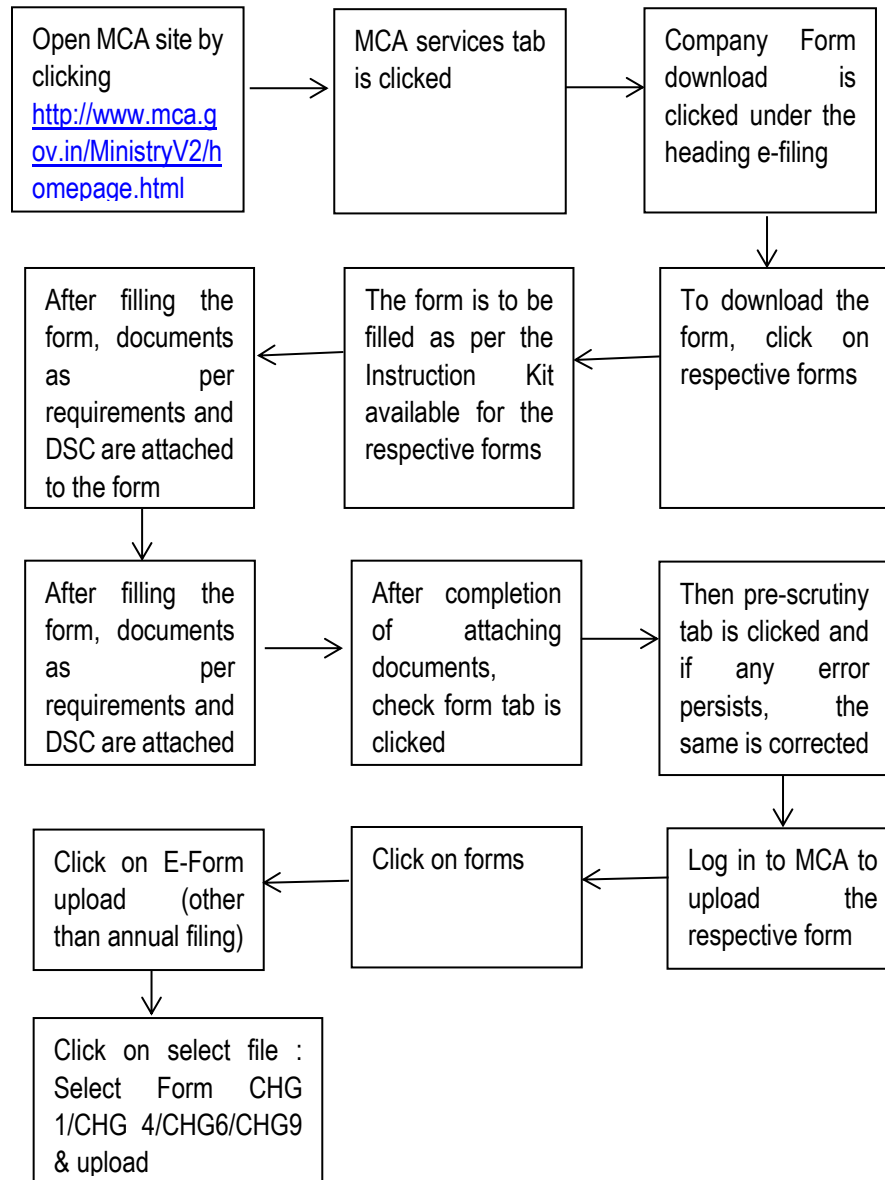
In the above table, CHG-2, 3 and 4 are formats in which certificates are issued by the Registrar.

In ensuing formats, CHG 1 and CHG 9 are similar and hence common aspect of both the forms are discussed in CHG 1 whereas specific items only related to CHG 9 is discussed in separate form.

All the fees shall be paid in accordance with Annexure 'B' of Companies (Registration offices and fees) Rules, 2014 issued by the Ministry of Corporate Affairs as a circular dated 01/04/2014 and the same is available at http://www.mca.gov.in/Ministry/pdf/tableoffee_01042014.pdf

16.2 Procedure for Filling Up Forms

Steps to be followed to file Form CHG 1/ CHG 4/ CHG 6/ CHG9



Further, such process of filling up of forms has been explained in detail in ensuing pages. However, in all the forms there are some common contents which are explained below.

TG on Charges- Registration, Modification and Satisfaction under ...

The contents specific to each form is explained separately.

16.2.1 Common fields in the related forms:

The common fields in all the forms mentioned in the beginning, is explained below:

Sr. No.		Particular	Guideline
1.	A	Corporate Identity Number (CIN) or Foreign Company Registration Number (FCRN) of the company	After writing such CIN or FCRN , the <i>Pre-fill</i> button is clicked
	B	Global location number (GLN) of company	GLN is used to identify location & legal entity.
2.	A	Name of the company	On the basis of CIN/FCRN, the required information is automatically displayed.
	B	Address of the registered office or the principal place of business in India of the company	On the basis of CIN/FCRN, System shall automatically display the Registered address or principal place of business in India (in case of foreign company)
	C	Email id of the company	On the basis of CIN/FCRN, System shall automatically display the mail ID

The Signature part of the form which is common is explained as under:

To be digitally signed by	
Designation	Select Director / Manager / Company Secretary / CEO / CFO (in case of an Indian company) or an authorized representative (in case of foreign company) from the drop drop-down values if the applicant is company.

Procedure for Charges

DSC	Ensure the e-Form is digitally signed by the same person who is giving the declaration and is authorized by board resolution to sign the e-Form.
DIN/PAN/membership number of company secretary	In case the person digitally signing the e-Form is a Director - Enter the approved DIN. In case the person digitally signing the e-Form is Manager/CEO/CFO or authorized representative - Enter approved DIN or valid income-tax PAN
To be digitally signed by	
DSC	Ensure the e-Form is digitally signed by the charge holder, in case applicant is charge holder . In case charge is modified in favour of ARC or assignee, then ARC or assignee needs to digitally sign the e-Form
PAN	Enter a valid income tax PAN of the charge holder, ARC or assignee or any other person. It is mandatory to enter designation if e-Form is signed by any other person.

16.3 Form CHG-1

The form is used for creation or modification of Charge (Other than debentures). The guidance for filling up each of the field is explained below

Guidance for filling up the Form CHG1 (Certain items of CHG 9 to the extent common are discussed here)

FORM NO. CHG-1 (Common items of CHG-9)
Application for registration of creation, modification (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)

TG on Charges- Registration, Modification and Satisfaction under ...

S.No.	Particular		Guidelines
1.	a.		
2.	a.	* ¹ This form is for registration of	The purpose of filing the form is to be selected out of the two radio button viz Creation of charge or Modification of Charge
	b.	Charge ID of the charge to be modified	If the radio button "Modification of Charge" is selected above then the Charge ID of the charge which is to be modified has to be entered. The Charge ID is the one which is allotted at the time of registration of the charges, the same can even be referred under MCA Services >Master Data >Index of Charges at www.mca.gov.in It has to be ensured that the Charge ID entered for modification should be open charge ID and not satisfied.
3.		*Whether the applicant is	The applicant who is filing the form has to be selected, out of the two radio button i.e. company or a charge holder. (Charge holder gets the right to file this e-Form only after 30 days from the date of creation or modification of charges)
4.		*Number of trustee(s) of debenture holders or charge holder(s)	Here, the number of trustee of debenture holder(s) or charge holder(s) is required to be entered. If charge is modified in favour of ARC or assignee then particulars of ARC or assignee is required. If there are more than one trustee, details of one trustee is required to

¹ Mandatorily required to fill these fields

Procedure for Charges

			be entered in the e-form and details of the other(s) trustee(s) has to be provided as an attachment
5.	a.	*Date of the instrument creating or modifying the charge	Depending upon the purpose of the e-form, the date is required to be entered. In case of creation of charge- the date on which charge is created is required Whereas in case of modification of charge- the date on which charge is modified is required.
	b.	Nature, description and brief particulars of the instrument(s) creating or modifying the charge	Following is required to be mentioned for the instrument for which the form is being filed: • Nature • Description and • Brief Particular
	c.	*Whether charge is created or modified outside India Yes/No	The radio button "Yes" has to be selected in case the charge is created/ modified outside India and vice versa. It is to be noted that If the charge is created out of India and comprises solely of property situated outside India, then it shall be registered within 30 days of its creation and not from the date on which instrument creating the charge is received in India.
6.	a.	Whether charge is modified in favour of asset reconstruction company (ARC) or assignee Yes / No	In case of modification of charge, if the charge is modified in favour of Asset Reconstruction Company (ARC) then "Yes" has to be selected and vice-versa Further, if 'Yes' is selected, then

TG on Charges- Registration, Modification and Satisfaction under ...

			"debt assignment agreement" is to be attached as an optional attachment.
	b.	Whether charge holder is authorized to assign the charge as per the charge agreement	This field is enabled in case "Yes" has been selected in the above field. Yes/No has to be selected based on whether or not the charge holder is authorized to assign the charge as per the charge agreement
7.	a.	Type of Charge	Select one or more option for the type of charge: A charge on : Uncalled share capital , Calls made but not paid, Immovable property or any interest therein, Movable property, Floating charge, Motor Vehicle (Hypothecation), Any property for securing the issue of secured deposits, Goodwill, Patent, Licence under a patent, Trade mark, Copyright, Book debts, Ship or any share in a ship Solely of Property situated outside India, Others
	b.	If, Others	If option 'Others' is selected, then details for the same has to be specified
8.	a.	*Whether consortium finance is involved Yes/No	If there are more than one charge holders, then it has to be selected whether consortium finance is applicable or not and if consortium finance is applicable then name of the lead banker has to be specified.
	b.	* Whether joint charge is involved Yes/No	Whether joint charge is applicable or not has to be selected?
	c.	* Number of charge	The total number of charge holders

Procedure for Charges

		holder(s) (Note: Please attach a complete list of charge holders, details of their extent to the charge, particulars of property charged, amount secured etc.)	is required to be stated.
9.	a.	Particulars of the charge holder (In case charge is modified in favour of ARC or assignee, enter the particulars of ARC or assignee)	
	b.	Category	The category of the charge holder out of the following options has to be selected: Nationalised bank/Scheduled bank/Private sector bank/ Financial institution / Non-banking financial company/Co-operative bank/Foreign Bank/Individual
	c.	If others, specify	Others' has to be selected in case category of the charge holder is not available in the displayed list. And the category has to be specified separately in the field so enabled
	d.	Name	The user of the e-form has to click on "Get list of charge holders" button. Upon clicking the system will automatically display the list of banks or financial institutions for which DSC role check has been enabled.

TG on Charges- Registration, Modification and Satisfaction under ...

			In case the name of the charge holder is not available in the displayed list, then "Others" has to be selected If the charge holder is an Indian company-,then CIN of the Company is required to be entered and then Pre-fill button has to be clicked upon which the system will automatically display the name, registered office address and email ID of the charge holder However, if the charge holder is not an Indian Company, then Name, address and e-mail id has to be mentioned.
	e.	Address:	Please enter the complete address in case the displayed address is incomplete.
	f.	Whether charge holder is having a valid Income Tax PAN Yes/No	Yes/No has to be selected
	g.	Income tax-Permanent Account Number (PAN)	If charge holder is having a valid Income Tax PAN, enter PAN
	h.	BSR Code / Branch Code	
10.	a.	*Amount secured by the charge (in Rs.)	The amount which is secured by the charge has to be stated in Rs.(INR) In case the amount is in foreign currency, rupee equivalent to be stated and In case of modification/rectification of charge, the amount secured by the charge

Procedure for Charges

			after such modification has to be cited)
	b.	Amount secured by the charge in words	System shall automatically display the amount in words based on the amount entered
	c.	In case amount secured by the charge is in foreign currency, mention details	Basic details are required to be entered, in case the amount secured by the charge in foreign currency
11.		Brief particulars of the principal terms and conditions and extent and operation of the charge	The terms & conditions of creation or modification of the charge has to be cited.
12.	a.	Date of Creating Security Interest by actual/ constructive deposit of title deeds within bank/ housing finance company	
	b.	Borrower's customer/account number	
	c.	*Rate of interest	
	d.	Repayment term (in months)	
	e.	* Terms of Repayment	
	f.	Nature of facility	
	g.	Date of Disbursement	
	h.	Miscellaneous narrative information	

TG on Charges- Registration, Modification and Satisfaction under ...

	i.	*Margin	
	j.	*Extent and operation of the charge	
	k.	Others	
13.		In case of acquisition of property, subjected to charge, furnish the details relating to the existing charge on the property so acquired	In case of acquisition of property which is subject to charge, the details of charge on the property so acquired has to be entered
	a.	Date of instrument creating or evidencing the charge	
	b.	Description of the instrument creating or evidencing the charge	
	c.	Date of acquisition of the property	
	d.	Amount of the charge	
	e.	Particulars of the property charged	
14.		* Short particulars of the property or asset(s) charged (including complete address and location of the property)	The particular of the property or asset (s) on which charge is so created is required. *Survey number, GAT number, Khesra number, Khweta number, Mouza number, Phase number or any other such similar representation in various states or union territories can be captured in

Procedure for Charges

			this field. (All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)
15.	a.	Description of the document by which the company acquired the title	Based on the number of documents deposited by customer, the number of table(s) to enter the details of the document will be populated subject to maximum of 10. In case details for more than 10 documents are required to be provided, then complete particulars has to be furnished under optional attachment.
	b.	Number of title documents deposited by customer	Yes' or 'No' has to be selected, If 'Yes' has been selected, 'name of the person in whose name it is registered" has to be stated
16.		*Date of creation/last modification prior to the present modification	This field is applicable only for modification and shall be prefilled based on SRN of the e-Form for which modification is being filed
17.		Particulars of the present modification	The particulars of the present modification have to be filed. This field is applicable only in case of modification of charge. It is to be ensured that correct particulars are entered as the same will be displayed in the certificate of modification.
18.		Attachments	Instrument(s) of creation or modification of charge

TG on Charges- Registration, Modification and Satisfaction under ...

			(mandatory attachment). - Instrument(s) evidencingwhich is already subject to charge.....such acquisitions. (This attachment is mandatory in case there is any acquisition of property which is already subjected to charge.) - Particulars of all joint charge holders. (It is mandatory if number of charge holder is more than one.) - Any other information can be provided as an optional attachment(s).
19.		Declaration	Declaration is mandatory in case e-Form is filed by the company. The serial number and date of resolution of board of directors of the company authorizing the signatory to sign has to be mentioned, declaration has to be given and e-form has to be submitted
		DSC Signature verification of borrower and Charge Holder	Please refer above
20.		Details of Professional	CA/CS/CMA (in whole-time practice), Whether Associate or Fellow, Membership No., Certificate of Practice (COP) No. , DSC.
21.		Certification Checklist	1. Professional should have knowledge of the sec. 384 read with 77,78 and 79 of the Companies Act, 2013 and Rule 3(1) of the Companies (Registration of Charges) Rules

Procedure for Charges

			2014
			2. Professional should check, whether, the company/ charge holder as the case may be, has entered valid details in Form CHG-1.
			3. Should verify all the documents attached whether all documents are as per requirements, complete and legible.
			4. Also verify the records have been properly prepared, signed by the required officers of the Company and maintained as per the relevant provisions of the Companies Act, 2013 and were found to be in order;

Once the CHG-1 is approved, Certificate of Charge is issued in Form CHG-2 (Creation) CHG-3 (Modification)

16.4 Form CHG-4

Form No. CHG 4			
Satisfaction of Charge			
S. No.	Particulars		Guidelines
1.		Basic Data of the Company	Refer 16.2.1
		* This form is for registration of	Satisfaction of charge
2.	a.	* Whether the form is being filed	
		Beyond 30 days but within 300 days from the date of satisfaction Yes/No	Yes/No has to be selected And if yes has been selected i.e. the e-form is filed <i>beyond 30 days but within 300 days</i>

TG on Charges- Registration, Modification and Satisfaction under ...

			from the date of satisfaction, then <i>reasons</i> for such delay along with the duration of the delay is required to be mentioned.
		Beyond 300 days	Yes/No has to be selected And if yes has been selected i.e. the e-Form is filed <i>beyond 300 days</i> from the date of satisfaction, the user is required to make an <i>application to Central Government</i> for condonation of delay in e-Form CHG-8.
	b.	*Whether the applicant is	It has to be selected whether the applicant is <i>a company or a charge holder</i> .
3.	a.	*Whether the charge is satisfied in favour of Asset Reconstruction Company (ARC) or assignee Yes/ No	Yes/No has to be selected based on whether charge is satisfied in favour of asset reconstruction company (ARC) or assignee.
	b.	*Charge creation identification(ID) number	The charge creation identification number obtained either after filing e-Form CHG-1 or CHG-9 for the charge to be satisfied has to be mentioned.
4.	a.	*Particulars of the charge holder or ARC or assignee	The user of the e-form has to click on "Get list of charge holders" button. Upon clicking the system will automatically display the list of banks or financial institutions for which DSC role check has been enabled.

Procedure for Charges

			In case the name of the charge holder is not available in the displayed list, then "Others" has to be selected Details of charge holder or ARC or assignee are automatically displayed, if the form CHG-1 or CHG-9 has been filed on or after 22.07.2012
5.	a.	Particulars of creation of original charge and subsequent modifications	Based on the charge ID entered, details will <i>automatically be displayed</i> . Any change in the particulars can be edited; however the charge creation date cannot be edited.
	b.	Charge creation date	
		Charge last modified date	
		*Final amount secured (In case the amount is in foreign currency, rupee equivalent to be stated) (in Rs.)	
		Amount secured by the charge in words	
		In case amount secured by the charge is in foreign currency, mention details	
6.		* Date of satisfaction of charge in full	date of satisfaction of charge is to be entered.
		Attachments	1.* Letter of the charge holder stating that the amount has been satisfied 2. Optional attachment(s) - if any
		*Declaration	The serial number and date of board resolution where director/ manager / company secretary / CEO / CFO is

TG on Charges- Registration, Modification and Satisfaction under ...

			authorized to sign and submit the form has to be declared.
		Digital Signature of Borrower and Charge Holder	Refer Common above
		Certificate by practicing professional	
		Details of Professional	CA/CS/CMA (in whole-time practice), Whether Associate or Fellow , Membership No. , Certificate of Practice (COP) No. , DSC.
		Certification Checklist	Professional should have knowledge of the section 82(1) of the Companies Act, 2013 and Rule 8(1) of the Companies (Registration of charges)Rules 2014
			Professional should check, whether, the company/ Charge holder as the case may be, have entered valid details in Form CHG-4.
			Should verify all the documents attached whether all documents are as per requirements, complete and legible.
			Also verify the records have been properly prepared, signed by the required officers of the Company and maintained as per the relevant provisions of the Companies Act, 2013 and were found to be in order;

Once the CHG-4 is approved, the Certificate of Satisfaction is issued in CHG-5

16.5 Form CHG-6

Form CHG 6			
Notice of appointment or cessation of receiver or manager			
S. No		Basic Company Details	Please refer Common above
1.	a.	* This notice is being filed by	Select the option : Person appointing receiver or manager / Person appointed as receiver or manager
	b.	* Type of notice	Select the option : Appointment / Cessation
2.	a to g	Particulars of receiver or manager	PAN, Name, Address, City, State, Country, PIN code (In case of cessation - Enter the income tax permanent account number of receiver or manager and click 'Pre-fill' button, name and address will automatically be displayed.)
3.		*Date of appointment	Enter the date of appointment (in case 'appointment' has been selected in type of notice above)
4.		*Date of appointment	Enter the date of appointment (in case 'appointment' has been selected in type of notice above)
5.		*Date of cessation	Enter the date of cessation (in case 'cessation' has been selected in type of notice above)
6.		Whether the appointment or cessation is	Select the option: Pursuant to an order of the Court / Pursuant to any instrument
7.	a.	* Number of charges	Enter the number of charges.
	b.	Pursuance to an order of court	enter -> court reference, -> date of court order, -> the charge ID , -> Appointment related to whole of

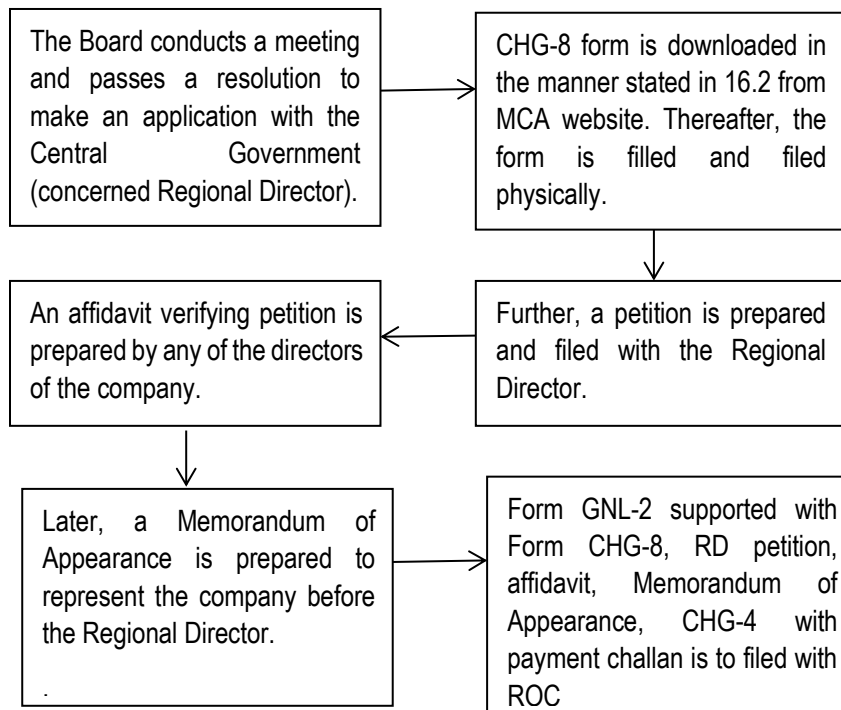
TG on Charges- Registration, Modification and Satisfaction under ...

			the property of the company (Yes/No) , -> Appointment related income arising from whole of the property of the company(Yes/No)
	c.	Pursuance to any instrument	enter -> details describing the instrument, -> date of instrument, -> Charge ID, -> Appointment related to whole of the property of the company (Yes/No) , -> Appointment related income arising from whole of the property of the company(Yes/No)
		Attachments	1. Instrument appointing receiver/manager (if the appointment is pursuant to an instrument). 2. Copy of court order appointing the receiver/manager (if the appointment is pursuant to a court order). 3. List of specified property of the company in case the appointment relates to specified property of the company 4. List of specified property of the company in case the appointment relates to income arising from specified property of the company. 5. Any other information can be provided as an optional attachment(s).
		*Declaration	Declaration is required to be given by the person filing the notice of such appointment or cessation stating that all information furnished is true, complete and correct.

Procedure for Charges

		To be digitally signed by	
		DSC	The e-form is required to be digitally signed by: <u>In case of appointment:</u> the person appointing receiver or manager; and <u>In case of such cessation:</u> receiver or manager himself.
		PAN	Valid income tax PAN of the person signing the e-form is required.

16.6 Form CHG-8



Procedure for Filing of CHG-8: Application for condonation of delay shall be filed with the Central Government

TG on Charges- Registration, Modification and Satisfaction under ...

Form CHG-8		
Application to Central Government for extension of time for filing particulars of registration of satisfaction of charge OR for rectification of omission or misstatement of any particular in respect of creation/modification/ satisfaction of charge		
Sr. No.	Particular	Guideline
	Basic Company details	Refer point 16.2
1.	*This form is for condonation of	The reason due to which the condonation of charge is filed is to be selected. Based on the option selected, further sub-options will be displayed, • <i>if, Delay in registration of: Satisfaction of Charge. OR</i> • <i>If, Omission or mis-statement of any particular in respect of: Creation of Charge; Or Modification of Charge; Or Satisfaction of Charge</i>
2.	* The application is made by	Option is selected from below: • <i>Company</i> • <i>Any other interested person</i> (Only in case of omission or misstatement, an interested person can file this e-Form.)
3.	*SRN of relevant form	The SRN of e-Form filed - CHG-1 is required to be entered, where the form CHG-8 relates to creation or modification of charge (other than debenture). The SRN of e-Form filed - CHG-9 is required to be entered, where the form CHG-8 relates to creation or modification of charge (debenture). The SRN of e-Form filed - CHG-4 is

Procedure for Charges

			required to be entered, where the form CHG-8 relates to satisfaction of charge.
4.		Charge Identification Number (ID)	The charge ID is entered, when the e-Form is being filed due to omission or mis-statement of the charge
5.	A	*Date of creation/ modification/ satisfaction of charge entered in the relevant form	The date of Filing of e-Form : CHG-1/CHG-9/ CHG-4 is required to be stated
	B	*Amount of charge created/ modified/ satisfied:	The amount of charge created/ modified/satisfied is required to be stated
	C	* Name(s) of the charge holder(s)	The name of Charge Holder(s) is entered.
	D	*Particulars of the property or asset(s) charged	The complete address and location of the property is to be mentioned.
6.		* Reasons for delay/ omission/ mis-statement in filing	The reason for delay/ omission/ mis-statement in filing is required to be mentioned.
7.		Details of omission/mis-statement and the relief required	The details of omission/mis-statement occurred along with the relief required to be granted has to be mentioned.
8.		Attachments	1. Instrument creating/ modifying/ satisfying the charge. 2. Letter of authorisation (in case of Authorised Representative of a foreign company). 3. Copy of resolution of the Board authorising the filing of the application and appointing the authorized representative, if any. 4. Affidavit.

TG on Charges- Registration, Modification and Satisfaction under ...

			5. Confirmation from the Charge-holder. 6. Balance Sheet and Annual Return of financial year in which form was filed for which rectification is done (if completed). 7. Optional attachment, (if any).
		*Declaration	
		if applicant is company	Enter the name and Designation of the person authorized by board resolution to sign, give declaration and submit this e-Form & confirm that the delay is due to due to inadvertence or some other sufficient cause
		if applicant is any person other than the company	confirm that the delay is due to due to inadvertence or some other sufficient cause
		To be digitally signed by: if applicant is company	
		DSC	The e-form is required to be digitally signed by the same person whose name and designation is reflected in the Declaration section.
		DIN of the director; or DIN or PAN of the manager or CEO or CFO or authorised representative; or Membership number of the company secretary	• In case the person digitally signing the e-Form is a Director - approved DIN has to be entered. • In case the person digitally signing the e-Form is Manager, Chief Executive Officer (CEO) or Chief Financial Officer (CFO) - approved DIN or valid income-tax PAN has to be entered. • In case the person digitally signing the e-Form is Company Secretary - valid membership number has to be entered.

Procedure for Charges

			DIN/PAN/Membership number of the person signing the e-Form should also be associated with CIN under the selected designation.
		To be digitally signed by: if applicant is any person other than the company	
		DSC	The e-Form is required to be digitally signed by the same person who's PAN details are reflected in the Declaration section.
		PAN	The interested person other than company, filing the e-Form, can be any one of the following: - Charge Holder ARC or assignee Designation. - PAN number of the relevant signatory is required.

16.7 Form CHG-9

FORM NO. CHG-9 (only specific items not covered in CHG 1 is discussed here) For common items please refer CHG-1			
Application for registration of creation or modification of charge for debentures or rectification of particulars filed in respect of creation or modification of charge for debentures			
Sr. No.		Particular	Guideline
		Basic Company details	Refer point 16.2
1.		*Type of debenture	The type of debenture is selected for which the registration is being filed such as: - Debentures - Debenture Stock

TG on Charges- Registration, Modification and Satisfaction under ...

			• Bond • Any other instrument.
2.		SRN of form INC-28	The approved SRN of e-Form INC-28 filed for intimation to Registrar for notice of order of Central Government for rectification is required to be mentioned. It should be ensured that the status of the SRN is 'approved'
3.		Rectification to be made in regard to	One of the option is to be selected for which rectification is required to be sought : • Type of debentures, • Particulars related to series of debentures, • Amount secured by charge, • Principal terms and conditions, extent and operation of charge, • Number of trustees or debenture holders, • Particulars related to present issue of series, • Description / Particulars of property charged, • Extent of charge, • Particulars of commissions, allowances or discount
4.		*Whether the applicant is	The applicant is to be selected whether it is a • Company or • Trustee of debenture holders or

Procedure for Charges

			Charge holder. (Charge holder gets the right to file the e-form only after 30 days from the date of creation or modification of charges)
5.	a.	*Number of trustee(s) of debenture holders or charge holder(s)	Refer point 5 of table, in topic 16.4
	b.	Particulars of the trustee of debenture holders or charge holder(In case charge is modified in favour of ARC or assignee, enter particulars of ARC or assignee)	
	c.	Name	Refer point 10 (d) of table, in topic 16.4
6.		Whether the charge is for	One option is to be selected: Entire series of debentures / Any issue in a series of debentures
7.	A	Whether the series of debentures are registered with the Registrar of Companies (RoC)	Yes / No has to be selected
	B	If, Yes	i. The total amount secured by the whole series (in Rs.), ii. Date of registration of series
8.	a	*Date of present issue of series	The date of present issue of series is required to be entered. In case series of

TG on Charges- Registration, Modification and Satisfaction under ...

			debentures is not applicable, the date of issue of debentures has to be mentioned.
9.	A.	*Brief of the principal terms and conditions, (including rate of interest, date of redemption and creation of debenture redemption reserve) extent and operation of charge	The terms & conditions of creation or modification of the charge is entered.
	B.	Date of Creating Security Interest by actual/ constructive deposit of title deeds within bank/ housing finance company	
	C.	Borrower's customer/account number	
	D.	*Rate of interest	
	E.	Repayment term (in months)	
	F.	* Terms of Repayment	
	G.	Nature of facility	
	H.	Date of Disbursement	
	I.	Miscellaneous narrative information	
	J.	*Margin	
	K.	*Extent and operation of the charge	
	L.	Others	
10.		*Particulars as to amount or rate percent of the	The details of commission, allowances or discount paid

Procedure for Charges

		commission, allowances or discount (if any) paid, or made either directly or indirectly by the company to any person(s) in consideration of their subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any of the debentures included in this return.	directly or indirectly by the company to any person in consideration of their subscribing or agreeing to subscribe for any of the debentures included in this form are required to be entered.
--	--	---	--

Chapter-17

Suggested Formats for Affidavit & Petition

The formats given below are specimen formats suggested by the Committee Members. However, the Company can use its own formats.

SPECIMEN FORMAT OF AFFIDAVIT VERIFYING THE PETITION
BEFORE THE REGIONAL DIRECTOR,
IN THE MATTER OF THE COMPANIES ACT, 2013 SECTION 87 AND RULE 12 (2)
AND
IN THE MATTER OF NAME OF COMPANY
Affidavit Verifying the Petition
I, _____ S/O _____ a Resident _____ do hereby solemnly declare and affirm as under:
1. That I am the Director of NAME OF COMPANY (CIN-) and have been duly authorised by the Board of Directors of the above named Petitioner Company vide their Resolution dated to sign and file as Authorised Signatory of the said Company's Petition to the REGIONAL DIRECTOR, For, condonation of delay in filing of Form CHG-4 relating to satisfaction of charge in favour of Name of bank.
2. I am conversant with facts and circumstances of the application filed in CHG-8 and GNL-1 and I am duly authorized to execute, file and peruse the application for condonation of delay for filing particulars of satisfaction of charge and all the particulars filled in the application are true and fair to the best of my knowledge.
3. That the Annexure to the petition are true copies of their original and a copy of the aforesaid resolution dated of the Board of Directors of the petitioner is enclosed.

Suggested Formats for Affidavit & Petition

4. I solemnly affirm that this declaration is true and it conceals nothing and no part of it is false.
DEPONENT
VERIFICATION
Solemnly affirmed before me on _____
DEPONENT
FORMAT OF BOARD RESOLUTION
CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE BOARD MEETING OF THE DIRECTORS OF _____ HELD ON, _____ AT B _____ AT 11.00 A.M.
RESOLVED THAT Name of Director having (Din No: _____), Director of the Company be and is hereby authorized to verify, sign affirms and/ or present the petition, affidavits and other papers/ documents and statements forming part of the petition regarding application requesting for condonation of delay for filling E form-CHG-4 for satisfaction of charge, on behalf of the company, to the Regional Director, or any other authority, as required under Section 87 and Rule 12 (2) of the Companies Act, 2013.
RESOLVED FURTHER THAT _____ Practicing Company Secretary, failing which such other persons eligible to appear before the Regional Director, be and are hereby severally authorized to appear, on behalf of the Company and to act for every purpose connected with the petition under section 87 and Rule 12 (2) and other applicable provisions of the Companies Act, 2013."

TG on Charges- Registration, Modification and Satisfaction under ...

SPECIMEN FORMAT OF MEMORANDUM OF APPEARANCE
BEFORE THE REGIONAL DIRECTOR
_____ REGION
To,
Regional Director,
IN THE MATTER OF THE COMPANIES ACT, 2013 SECTION 87 AND RULE12 (2)
AND
IN THE MATTER OF Name of company
(A Company Registered Under The Companies Act, 2013 Having Registered Office at)
PETITIONER
Dear Sir,
Please take notice that, I, Name of CS, proprietor of_____, Practicing Company Secretary, duly authorized to enter an appearance, and do hereby enter an appearance, on behalf of Name of company, the petitioner in the above-mentioned petition.
A copy of the Resolution passed by the Board of directors of the Company authorizing us to enter an appearance and to act for every purpose connected with the proceedings for the said party is enclosed, duly signed by us for identification.
Yours Sincerely,
Place:
Date: _____

Suggested Formats for Affidavit & Petition

Specimen Format of PETITION
BEFORE THE REGIONAL DIRECTOR,
IN THE MATTER OF THE COMPANIES ACT, 2013 SECTION 87 AND RULE12 (2)
AND
IN THE MATTER OF NAME OF COMPANY
...PETITIONER
BY THIS HUMBLE PETITION:
SUBJECT: <u>PETITION UNDER SECTION 87 and Rule 12 (2) OF THE COMPANIES ACT, 2013 FOR CONDONATION OF DELAY IN FILING OF FORM CHG-4 RELATING TO SATISFACTION OF CHARGE WITH THE REGISTRAR OF COMPANIES.</u>
States as follows:-
1. DETAILS OF PETITION:
Applications under section 87 and Rule 12 (2) of the companies act 2013, for condonation of delay of ____days in satisfaction of charge.
2. PARTICULARS OF THE APPLICANT :
a) The petitioner (hereinafter called the company) was originally incorporated on _____as a Company limited by Shares under the name of company vide Company No. _____in the state of_____.
b) The Registered Office of the Company is situated at
c) The objects of the Company are as set out in the clause III in the Memorandum of Association as annexed hereto. A copy of the Memorandum of Association and is enclosed herewith and marked as <u>Annexure – A.</u>
d) The Authorized Share Capital of the Company is RS_____ divided into _____Equity Shares of Rs.10(Ten) each.
3. FACTS OF THE CASE:

TG on Charges- Registration, Modification and Satisfaction under ...

4. REASONS FOR DELAY IN FILING OF E FORM CHG 4 :
a) That the Petitioner Company declares that it had not previously filed any Application, writ petition or suit regarding the matter in respect of which this petition has made, before any court of law or any other authority or any other Bench of the Board and nor any such application, writ petition or suit is pending before them.
b) That the Company shall submit any other information documents as may be required by the Hon'ble Regional Director.
c) That the interest of none of the creditor/ shareholder or any person at large is prejudiced if the delay is condoned by the Hon'ble Bench. Further, no one will be prejudiced if the delay is condoned.
d) Memorandum of Appearance is enclosed as "_____".
5. RELIEF:
The petitioner therefore prays humbly that:
a) The delay in filing of CHG – 4 with the Registrar of Companies, for a period _____ may kindly be condoned and approve the Form CHG 4 filed vide SRN on.
b) To pass such order which the Hon'ble Bench may deem fit in this connection