

Extension of Name Reservation by Registrar of Company as per Rule 9A via Companies (Incorporation) Third Amendment Rules, 2020

Extension of Reservation Period for Company Names



- **Introduction**

MCA on 24th of December, 2020 inserted the new rule 9A. The rule provides the extension in the time limit for the reservation of name.

Rule 9

An application for reservation of name shall be made through the web service available at www.mca.gov.in by using web service SPICe+ (Simplified Proforma for Incorporating Company Electronically Plus: INC-32), and for change of name by using web service RUN (Reserve Unique Name) along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014, which may either be approved or rejected, as the case may be, by the Registrar, Central Registration Centre after allowing re-submission of such web form within fifteen days for rectification of the defects, if any, with effect from the 23rd February, 2020.

Rule 9A i.e. Extension of Reservation of Name in certain cases (Inserted vide the Companies (Incorporation) Third Amendment Rules, 2020 dated 24.12.2020 w.e.f., 26.01.2021)

Extension of reservation of name in certain cases Upon payment of fees provided below through the web service available at www.mca.gov.in, the Registrar shall extend the period of a name reserved under rule 9 by using web service SPICe+ (Simplified Proforma for Incorporating Company Electronically Plus: INC-32), upto:

(a) forty days from the date of approval under rule 9, on payment of fees of rupees of one thousand rupees made before the expiry of twenty days from the date of approval under rule 9;

(b) sixty days from the date of approval under rule 9 on payment of fees of rupees two thousand made before the expiry of forty days referred to in clause (a) above;

(c) sixty days from the date of approval under rule 9 on payment of fees of rupees three thousand made before the expiry of twenty days from the date of approval under rule 9:

Provided that the Registrar shall have the power to cancel the reserved name in accordance with sub-section (5) of the Act.

• **Bird Eye View of the Notification**

With this notification, MCA announced the new provision namely Rule 9A for the extension of reservation of name in certain cases.

- After rule 9, the rule 9A shall be inserted with effect from 26.01.2021.
- As per the new rule, the registrar shall extend the period of a name reserved under Rule 9 by using web service SPICe+ (Simplified Performa for Incorporating Company Electronically Plus: INC-32) up to 60 days on Payment of Fee

• **Applicability**

This rule shall come into force from 26th January 2021.

• **Present Provision**

As per the provision of the Companies Act, 2013 the name reserved for the incorporation of the company shall be reserved for a maximum of 20 days. If a company has not been incorporated within 20 days, then the name shall expire.

• **Amended Provision**

- Upon payment of fees provided below through the web service available at www.mca.gov.in, the registrar shall extend the period of a name reserved under Rule 9 through SPICE+ up to:

Case Number	Extension beyond 20 days in days	Total Days for name reservation after extension	Amount to be paid in addition of Rs. 1,000	When to apply
1	20 days	40 (20 days+20 days)	Rs. 1,000	Before the expiry of 20 days from date of approval
2	40 days	60 (20 days+20 days + 20 days)	Rs. 2,000	Before the expiry of 40 days from date of approval
3	40 days	60 (20 days +40 days)	Rs. 3,000	Before the expiry of 20 days from date of approval

It is to be noted that in case no. 2 and case no. 3 name will be reserved for 60 days from date approval.

However, in case no. 2 we first applied for 20 days extension making the total of 40 days and before the expiry of 40 days will be seeking additional 20 days extension making the total of 60 days of name reservation.

In case no. 3, we will apply directly for 40 days extension before the expiry of 20 days from the reservation of name making the total of 60 days of name reservation.

- Under this Companies (Incorporation) Third Amendment Rules, 2020, MCA has amended certain portion of Part A of SPICe+ for and the applicant needs to furnish the following details for name reservation:

- Type of Company
- Class of Company
- Category of Company
- Sub-Category of Company
- Description of the main division of industrial activity of the company
- Summary of the objects to be pursued by the company in its incorporation
- Particulars of the proposed or approved name