



Corporate & other related laws

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Companies to disclose material accounting policy information in financial statements

MCA has amended the Companies (Indian Accounting Standards) Rules, 2015. The amendments come into force with effect from 1st day of April 2023 i.e. Financial Year 2023-24. As per the amendment companies shall disclose material accounting policy information as against hitherto requirement of disclosing “significant accounting policies” in their financial statements.

With the latest MCA rule change, India has aligned itself with the "Material" concept already required under International Financial Reporting Standards (IFRS).

ROCs set to crack the whip on company law violators-Live Mint

The Registrars of Companies (ROC) will sharpen their oversight and enforcement efforts against company law violators later this year as ongoing reforms to cut red tape free them from routine work. India's 25 ROCs oversee registrations of companies and limited liability partnerships (LLPs), ensuring these entities follow the law.

The Ministry of Corporate Affairs is rolling out reforms that have two key parts: one is replacing ROC approvals with straight-through processing (STP), requiring companies to only obtain an online acknowledgement of their statutory filings to be considered compliant.



Amendment in Removal of Names of Companies from the Register of Companies rules

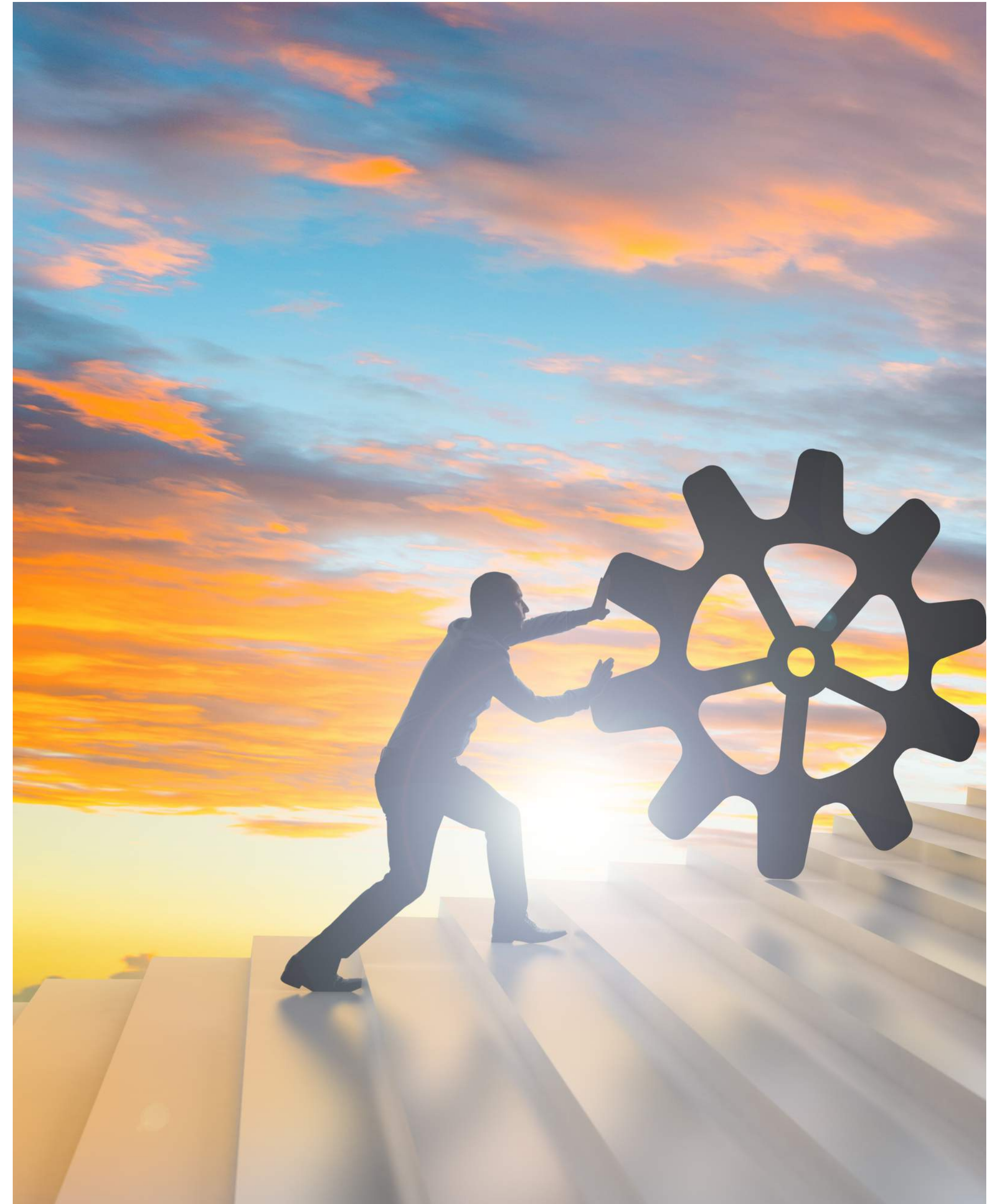
MCA has notified “the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2023” which shall come into force with effect from May 01, 2023. The amendments inter alia provide below mentioned changes:

- An application for removal of name of company under section 248(2) shall be made to Registrar, Center for processing Accelerated Corporate Exit in Form No. STK-2 along with fee of Rupees 10,000.
- The Registrar, Center for Processing Accelerated Corporate Exit established under section 396(1) shall be the Registrar of Companies for the purpose of exercising functional jurisdiction of processing and disposal of applications made in Form no. STK-2 and all matters related thereto under section 248 having territorial jurisdiction all over India.

Further, Form No. STK-2, STK-6 and STK-7 are substituted.

MCA clarification on issue of certificate of incorporations

Stakeholders have been facing problems in issuance of Certificate of Incorporation. MCA has clarified that there is a delay in issuance of TAN (Tax Deduction and Collection Account Number) from NSDL, which is resulting a slight delay in obtaining COI (Certificate of Incorporation). All pending COI will be issued as soon as TAN is received from NSDL.



Establishment of Center for Processing Accelerated Corporate Exit by MCA

MCA has notified “the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2023” which shall come into force with effect from May 01, 2023. With this amendment The Ministry of Corporate Affairs has, vide its Notification No. dated 17th April, 2023, amended or transferred the responsibility of striking off companies from Registrar of Companies to Registrar, Centre for Processing Accelerated Corporate Exit (a.k.a. Registrar, Centre for PACE) with effect from 1st May, 2023

The Registrar, Center for Processing Accelerated Corporate Exit shall be the Registrar of Companies for the purpose of exercising functional jurisdiction of processing and disposal of applications made in Form no. STK-2 and all matters related thereto under section 248 having territorial jurisdiction all over India.

Stricter Rules against shell companies -Finance Express

The Centre is taking into consideration fresh measure to crack down to shell companies by making the process of incorporation tougher for non-genuine entities. The Ministry of Corporate Affairs (MCA) is in discussion over various proposals, such as a phone app to geo-tag pictures of the registered office of a company, as well as setting limits on the number of companies that can be incorporated by a single person etc.

SEBI clarifies on shareholders' approval for directors' appointment on board

Listed public sector companies, including banks, will be required to take shareholders' approval for any appointment or reappointment to the board of directors in the immediate next general meeting, capital markets regulator SEBI has clarified. In case shareholders do not clear resolution for the appointment, such a person would cease to be a director.

SEBI strengthens online dispute resolution mechanism in securities market

SEBI strengthened the dispute resolution mechanism in the securities market to empower the investors.

The market regulator amended rules to operationalize Online Dispute Resolution (ODR) mechanism for investors across registered intermediaries / regulated entities. The announcement on this was made by SEBI Chairperson at a press conference in which key decisions related to ESG framework, mutual funds, Alternative Investment Funds and shareholder empowerment were also announced.



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