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Notifications & Updates

Amendment in Limited Liability Partnership Rules

In exercise of the powers conferred by sub-sections (1) and (2) of section 79 of the Limited Liability Partnership Act, 2008, the Central Government notified the Limited Liability Partnership (Amendment) Rules, 2024. Centre for Processing Accelerated Corporate Exit or C-PACE was established vide MCA Notification dated 17th March, 2023 which shall be situated at Indian Institute of Corporate Affairs for faster closure of Companies & LLP.

Accordingly, the amendments are made in Limited Liability Partnership Rules, 2009 in clause (b) and the first proviso of rule 37, sub-rule (1), sub-rule (3) and sub-rule (4) to empower the Centre for Processing Accelerated Corporate Exit (C-PACE) to undertake the necessary actions for striking off name of defunct LLP from the register.

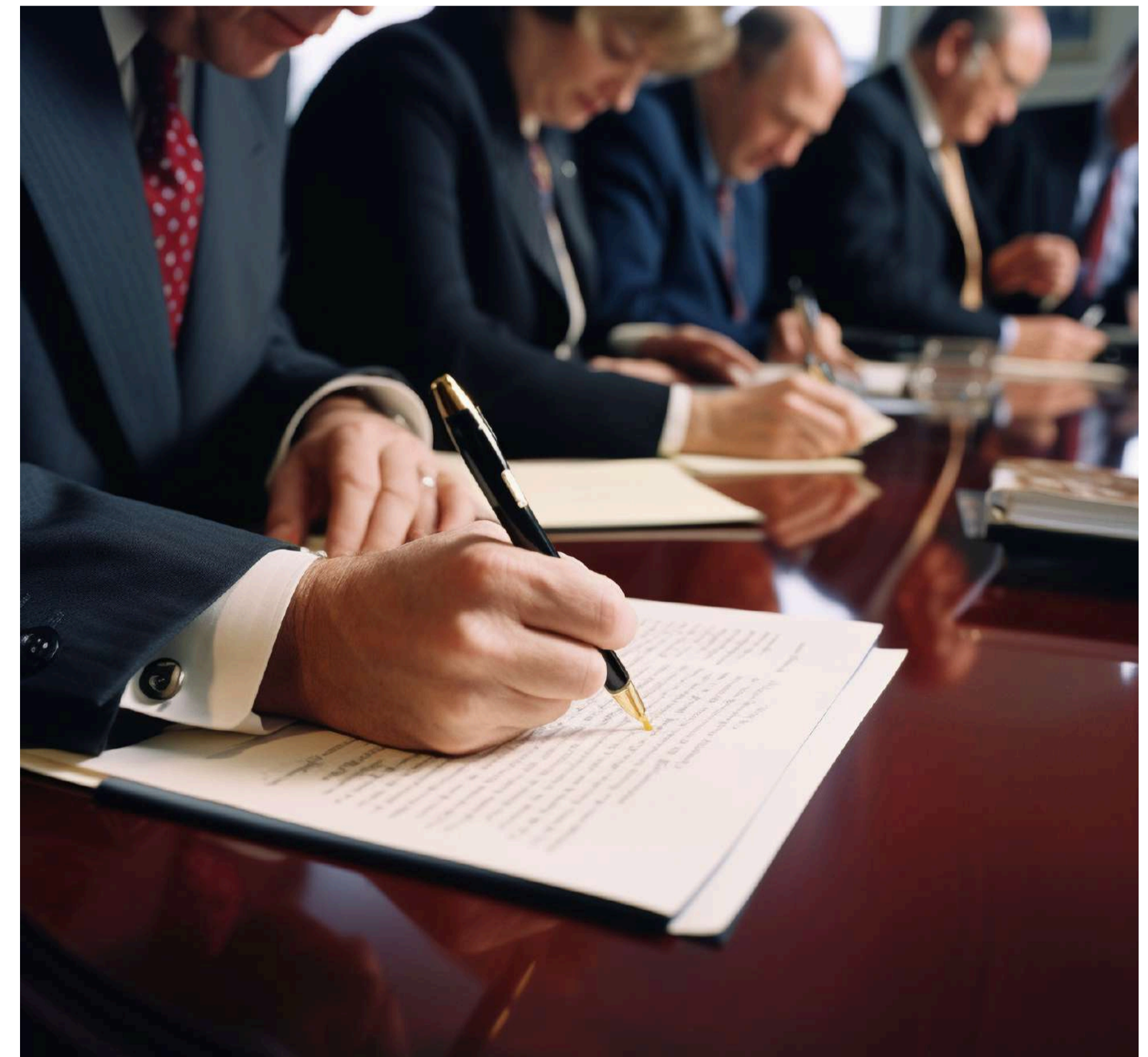
Companies (Adjudication of Penalties) Rules

In exercise of the powers conferred by section 454 read with section 469 of the Companies Act, 2013, the Central Government notified Companies (Adjudication of Penalties) Amendment Rules, 2024 which shall come into force from the 16th day of September, 2024.

1. A new section 3A is being inserted after Rule 3 in Companies (Adjudication of Penalties) Rules, 2014 which states that all proceedings of adjudicating officer and Regional Director under these rules shall take place in electronic mode only through the eadjudication platform developed by

the Central Government for this purpose. It also mentions the mode of notice or summons to be issued were the E-mail address or address of the concern person is not available in the records.

2. The Annexure in the said rules shall be substituted by Form No. ADJ (Memorandum of Appeal).





Adjudication Order: Order for Penalty under Section 454 for violation of Section 134(3) of the Companies Act, 2013 in the Matter of Reflektion Media Software (India), Private limited

The Company had filed its adjudication application on November 15, 2023, for violation of the provisions of section 134(3) of the Companies Act, 2013 read with Rule 8(5) of Companies (Accounts) Rules, 2014 by its Board of Directors for failure to provide explanations or comments in the Board Report for the financial years 2017-18, 2018-19, 2019-20 and 2020-21. Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 prescribes the contents to be included in the Board's Report.

The Board failed to provide the required information about the company's subsidiaries, internal complaint committee compliance, expense records, and business nature changes was not included in the board report.

ORDER Having considered the facts and circumstances of the case and after considering the factors as mentioned above, the adjudicating authority hereby imposed a penalty of Rs. 3,00,000/- (Rupees Three Lakh only) each for the period of default i.e., 4 years on the Company and Rs. 50,000/- (Fifty Thousand only) each on the Directors for the period pertaining to their default for violation of provisions of Section 134(3) of the Companies Act, 2013.

Companies (Registration of Foreign Companies) Amendment Rules, 2024

The Central Government has notified Companies (Registration of Foreign Companies) Amendment Rules, 2024. MCA has operationalized Central Processing Centre (CPC) for Centralised Processing of Corporate Filings that processes applications in time-bound and faceless manner on the lines of Central Registration Centre (CRC). As per the amendment, a foreign company within a period of thirty days of the establishment of its place of business in India shall now file with the Registrar, Central Registration Centre Form FC-1 with such fee as provided in Companies (Registration Offices and Fees) Rules, 2014. Accordingly, changes are also made in rule 8, in sub-rule (1), by inserting the following proviso: "Provided that the documents for registration by a foreign company referred to in sub-rule (3) of rule (3) shall be delivered in Form FC-1 to the Registrar, Central Registration Centre."

Companies (Indian Accounting Standards) Amendment Rules, 2024

MCA in consultation with the National Financial Reporting Authority, have notified Companies (Indian Accounting Standards) Rules, 2024. According to the amendments following changes are made in Companies (Indian Accounting Standards) Rules, 2015:

1. Indian Accounting Standard (Ind AS) 117 which relates to Insurance Contracts is being inserted to ensure that an entity provides relevant

information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

2. In order to correspond with Indian Accounting Standard (Ind AS) 117, modifications are also made to Indian Accounting Standard (Ind AS) 101, (Ind AS) 103, (Ind AS) 105, (Ind AS) 107, (Ind AS) 109, and (Ind AS) 115.



SEBI Issues Advisory on SME Investments

The Securities and Exchange Board of India (SEBI) has issued an advisory to investors, cautioning them against investing in certain Small and Medium Enterprises (SMEs) listed on the SME segment of stock exchanges.

In a statement, SEBI noted that some SME companies, after listing, tend to project an unrealistic picture of their operations through public announcements. These announcements are often followed by corporate actions such as bonus issues, stock splits, and preferential allotments, which can induce investors to purchase these securities. Simultaneously, this provides an opportunity for promoters to offload their holdings at elevated prices. Highlighting the modus operandi of these entities, SEBI has stated that it has passed orders against such companies, which are available on SEBI's website. The statement urges investors to be cautious and vigilant, advising them not to rely on unverified social media posts or invest based on tips and rumours.

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