

Difficulties related to new Cos Act will be resolved: MCA

The Ministry of Corporate Affairs today said efforts are being made to resolve difficulties faced by various professional entities, including company secretaries and auditors, with regard to new companies law.

There have been discontent in some quarters related to certain rules under the new Companies Act. Most provisions of the new legislation came into effect from April 1.

"Auditors, company secretaries and cost accountants will have to re-invent themselves if they are to discharge responsibilities entrusted to them under the new law....," M J Joseph, who is the Additional Secretary at the Ministry, said here.

He also assured that the Ministry would effectively deal with difficulties they face and "resolve such issues at the earliest".

"We are in discussions and dialogues to address the issues," he said while speaking at a conference.

Earlier this month, members of the Institute of Company Secretaries of India (ICSI) had staged protest demanding changes pertaining to their profession in the new legislation.

As per the notified rules, public companies with paid up capital of up to Rs 10 crore as well as all private firms have been exempted from having a company secretary. In the draft rules, the threshold was kept at Rs 5 crore or more.

ICSI had also demanded that secretarial audit should be made applicable to those "companies which are at least subject to internal audit".

Meanwhile, there have been apprehensions about rotation of auditors at companies while many sectors have been excluded from the ambit of cost audit.

(Business Standard)