

Final norms for private cos by July first week: MCA

The government is expected to finalise soon the norms that may relax certain provisions of the new Companies Act for private firms.

"The Ministry has taken out a draft notification on exemptions which can be granted to private companies and has sought feedback from everyone," said a statement by industry body Assocham, quoting Ministry of Corporate Affairs Joint Secretary Amardeep Singh Bhatia.

"The Ministry is expected to finalise the same in the first week of July," said Bhatia as per Assocham release.

He was speaking at a national seminar here on 'Compliance & Complications under Companies Act 2013,' by Assocham today.

Earlier this week, the MCA, through a draft notification had proposed 13 relaxations for private companies from the various provisions of the Companies Act 2013.

They included certain provisions relating to prohibition on acceptance of public deposits, share capital, voting rights, further issuance of shares, appointment of auditor and director, restriction on board powers, loans to directors, related party transactions, as also appointment of top management personnel.

The draft notification would be placed before both the houses Parliament, and suggestions have been invited from the public till July 1.

According to the Assocham statement, Bhatia said the government is trying to plug various loopholes in the legislation.

He noted further that the new Act is trying to bring in in less of regulation by government and more of self- regulation along with a little more disclosure and filing besides more responsibility towards shareholders.

"There is some fine-tuning (in Companies norms) which still needs to be done and the Ministry has issued some circulars clarifying certain issues..." Bhatia said.

"We are not stopping at that and are taking feedback to ensure whatever needs to be done to iron out issues in the rules which need to be tweaked and that will be done during the course of next two months," he added.

(Business Standard)