

Government gives more time for companies to set up audit committee

Making another relaxation, the government has provided more time till March 2015 for corporates to set up audit, nomination and remuneration committees as mandated under the new companies law.

The Corporate Affairs Ministry has given additional time for compliance following suggestions from various stakeholders.

Under the new Companies Act, certain class of companies are required to have an audit committee, among others. Many rules have already come into force.

In a statement, the Ministry said it has been decided to amend Rule 6 of the Companies (Meetings and Powers of Board) Rules, 2014.

"This will provide additional time for companies in constituting Audit Committees, and Nomination and Remuneration Committees till March 31, 2015," it said.

Similarly amendments have been made to rules related to declaration and payment of dividend.

"Clarifications have also been placed on the Ministry's website stipulating that Registers in the new format will not be required to be maintained in respect of records relating to loans/guarantee/security/acquisition of securities prior to April 1, 2014," the statement said.

Already the Ministry has relaxed norms related to various provisions of the new law including those pertaining to independent directors and appointment of company secretaries.

(Economic Times)