

Corporate & other related laws

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

MCA has notified amendment of Removal of Names of Companies from the Register of Companies Rules which shall come into force on the date of its publication in the Official Gazette. According to the amendment, under rule 4(1) following three provisos are inserted, stating:

- The company shall not file an application for removal of name, unless it has filed overdue financial statements and overdue annual returns, up to the end of the financial year in which the company ceased to carry its business operations.
- in case a company intends to file the application for removal of name after the action under section 248 has been initiated by the Registrar, it shall file all pending financial statements and all pending annual returns, before filing the application.
- Further, once the notice of strike off under section 248 has been issued by the Registrar for publication in Official Gazette pursuant to the action initiated under section 248, a company shall not be allowed to file the application under this sub-rule.

MCA amended Companies (Compromises, Arrangements and Amalgamations) Rules

The Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2023 has notified by Ministry of Corporate Affairs.

As per amended provisions, where no objection or suggestion is received within a period of 30 days of receipt of copy of scheme under section 233(2), from the ROC/official liquidator and the Central Government is of opinion that that the scheme is in public interest then, it may, within a period of 15 days after the expiry of 30 days, issue a confirmation order of such scheme.

However, if Central Government does not issue the confirmation order within a period of 60 days of receipt of the scheme under Section 233 then, it shall be deemed that it has no objection to the scheme and a confirmation order shall be issued accordingly.

Also, where objections and suggestions are received within a period of 30 days of receipt of order under section 233 from the ROC/Official Liquidator (OL) or both by Central Government (CG)

- such objections or suggestions of RoC/OL are not sustainable, and CG is of opinion that scheme is in public interest/creditors interest, then, it may issue confirmation order.
- the CG is of opinion that the scheme is not in public interest/creditors interest, then, it may, file an application before the Tribunal by stating its objections/opinion and requesting Tribunal may consider the scheme. In case CG does not issue confirmation, order or does not file any application to Tribunal, then, it shall be deemed that it has no objection to the scheme.

Establishment of an Investor Service Center in New Delhi

The Investor Service Center has been established by SEBI with BSE, NSE. This Centre will facilitate resolution of complaints of investors against all listed corporate entities and other registered intermediaries in the securities market and facilitate conducting of investor awareness programs in the entire Northern Region.

Voluntary delisting for non-convertible debt securities

SEBI has proposed a mechanism for the voluntary delisting of non-convertible debt securities. Under the mechanism, an entity should not be permitted to delist a few nonconvertible debt securities while other non-convertible debt securities continue to remain listed. The proposed mechanism would apply to the voluntary delisting of all listed non-convertible debt securities from all or any of the recognised stock exchanges. The proposed mechanism would not be applicable to the delisting of nonconvertible debt securities of a listed entity that have been delisted by the stock exchanges because of any penalty or delisted under a resolution plan approved under the IBC.

Introduction of legal identifier system for issuers with listed NCDs, securitised debt, security receipts

SEBI introduced Legal Entity Identifier (LEI) system for issuers that have listed or planning to list nonconvertible securities, securitised debt instruments and security receipts. LEI, a unique global identifier for legal entities participating in financial transactions, is designed to create a global reference data system that uniquely identifies every legal entity, in any jurisdiction, that is party to a financial transaction. It is a unique 20-character code to identify legally distinct entities that engage in financial transactions. Presently, Reserve Bank of India (RBI) mandates non-individual borrowers having aggregate exposure of above Rs 25 crore to obtain LEI code. In view of this, SEBI said that issuers having outstanding listed non-convertible securities as on August 31, 2023, will have to obtain and report the LEI code.

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NCALT notifies that filing of hard copies of appeals/applications/replies/rejoinder etc. shall not be mandatory w.e.f. 15th May 2023



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