

Article on Central Processing Centre ("CPC")

BACKGROUND:

Section 396(1) of Companies Act 2013 provides that for the purposes of exercising such powers and discharging such functions as are conferred on the Central Government by or under this Act or under the rules made thereunder and for the purposes of registration of companies under this Act, the Central Government shall, by notification, establish such number of offices at such places as it thinks fit, specifying their jurisdiction.

Section 396(2) of Companies Act 2013 provides that the Central Government may appoint such Registrars, Additional, Joint, Deputy and Assistant Registrars as it considers necessary for the registration of companies and discharge of various functions under this Act, and the powers and duties that may be exercisable by such officers shall be such as may be prescribed.

In exercise of the powers conferred by sub-sections (1) and (2) of section 396 of the Companies Act, 2013 ("**Act**"), The Ministry of Corporate Affairs ("**MCA**") vide **Notification No. S.O. 446(E) dated February 02, 2024, effective from February 06, 2024**, has announced the establishment of the **Central Processing Centre ("CPC")** at Indian Institute of Corporate Affairs, Plot No. 6,7,8, Sector 5, IMT Manesar, District Gurgaon (Haryana), Pin Code- 122050.

Further, in exercise of powers conferred by Sections 396, 398, 399, 403 and 404 of the Act, MCA vide **Notification No. G.S.R. 107(E) dated February 14, 2024, effective from February 16, 2024** has amended the **Companies (Registration Offices and Fees) Rules** by inserting the **Rule 10A**.

Rule 10A provides that the Registrar of the Central Processing Centre has been established under sub section (1) of Section 396, who will examine the following application, documents and e-form within 30 days from the date of this filing except the cases in which an approval of Central Government or the Regional Director or any other Competent Authority is required:

S. No.	Details of application, e-Form or documents
(i)	Filing of Resolutions and agreements to the Registrar under section 117 of the Act in e-Form no.MGT-14
(ii)	Notice to Registrar of any alteration of share capital under section 64 of the Act in e-Form no. SH-7
(iii)	Application for approval of Central Government for change of name under section 13 of the Act in e-Form no. INC-24
(iv)	One Person Company- Application for Conversion under section 18 of the Act in e-Form no. INC-6

(v)	Conversion of public company into private company or private company into public company under sections 14 and 18 of the Act in e-Form no. INC-27
(vi)	Intimation to Registrar of revocation/surrender of license issued under section 8 of the Act in e-Form no. INC-20
(vii)	Return of deposits under sections 73 and 76 of the Act in e-Form no. DPT-3
(viii)	Application to ROC for obtaining the status of dormant company under sub-section (1) of section 455 of the Act in e-Form no. MSC-1
(ix)	Application for seeking status of active company under sub-section (5) of section 455 of the Act in e-Form no. MSC-4
(x)	Letter of Offer under section 68 of the Act in form e-Form no. SH-8
(xi)	Declaration of Solvency under sub-section (6) section 68 of the Act in e-Form no. SH-9
(xii)	Return in respect of buy-back of Securities under sub-section 10 of section 68 of the Act in e-Form no. SH-11

PURPOSE:

The CPC has been established with a view to promoting ease of doing business and lowering the burden of respective Registrar of Companies (“ROC”).

The CPC has been established to process forms filed as part of various regulatory requirements under the Act in a centralised manner, requiring no physical interaction with the stakeholders. As of now only the above mentioned 12 forms/applications shall be processed at the CPC.

The purpose of establishing the CPC is to increase the efficiency, transparency and will ensure speedy processing of applications and other e-forms in Non-STP (Straight through processing) mode.

Further, after the introduction of this streamlined process, respective ROC will be able to focus on its core functions.

ACTIONABLE ON THE PART OF THE COMPANY:

It is recommended to promptly submit all these forms, soon after the event occurs, as the 30 day time limit for reviewing the forms commences from the date of filing.

Similarly, for linked forms, the first form should be filed promptly to ensure timely filing of the subsequent form.

Further, to have a better clarity on this, please refer to the below hypothetical example and the process which we should follow to address the issue:

1. Let's assume that a Public Limited Company wants to raise funds on preferential basis and for raising the same, it is required to increase the Authorised Share Capital of the Company;
2. For raising funds and for increasing the Authorised Share Capital, the Company will have to convene a Board Meeting and pass the Board Resolution for the same;
3. After passing the Board Resolutions, the Company will convene its Extra Ordinary General Meeting to take the shareholders approval for increasing the Authorised Share Capital and for taking approval to raise the funds on preferential basis;
4. Now, the Company is required to file these resolutions in form MGT-14, and form SH-7 is also required to be filed for increasing the Authorised Share Capital within 30 days;
5. Also, it is to be noted that the SRN of the Form MGT-14 is required to be mention in Form PAS-3.

After considering the above scenario, suppose the Company wants to issue the offer letter to the shareholders and raise funds to meet its business requirements, the Company could face these challenges:

1. If Form MGT-14 does not get approved till that time, the Company will not be able to file Form PAS-3 within 15 days of allotment, as SRN of Form MGT-14 needs to be mentioned in Form PAS-3, consequent to which the Company will not be able to utilise it for the business requirements;
2. Even if Form MGT-14 gets approved and Form SH-7 is pending for approval, the Company still can not file Form PAS-3 as the Authorised Share Capital of the Company is not increased yet.

HOW THIS SITUATION CAN BE PREVENTED?

To overcome the above situation, the Company should file the Forms as soon as the events occurs as all these forms are linked and if one form did not get approved, the other form could not be filed.

Note: Therefore, all the Companies are requested to file all the forms which are to be approved by the CPC as soon as possible after the event commences, so that delay filings and further inconveniences like non-utilisation of funds can be prevented.

Suggestions may be sent to rupesh@cacsindia.com

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