

CORPORATE COMPLIANCE OVERHAUL: MCA'S JULY 2025 AMENDMENTS AT A GLANCE

INTRODUCTION

The Ministry of Corporate Affairs (MCA) has notified a comprehensive set of amendments to various rules under the Companies Act, 2013, effective 14th July 2025. These changes reflect the MCA's vision to modernize corporate compliance by adopting digital solutions, promoting standardized disclosures, and reinforcing corporate accountability. From updated e-forms and integrated filings to mandatory disclosures on employee welfare and auditor details, the reforms aim to simplify processes while elevating governance standards across the corporate sector.

Companies (Accounts) Second Amendment Rules, 2025

Objective:

To promote digitization, simplify filings, and strengthen statutory disclosures, particularly relating to workplace welfare laws.

Key Changes:

Introduction of revised Form AOC-4 on MCA V3 Portal with the following notable updates:

- **No PDF Annexure Uploads Required:**
Annexures like Directors' Report, Auditors' Report, AOC-1, and AOC-2 no longer need to be uploaded as PDFs. These are now integrated as linked forms, reducing redundancy and aligning with the system-driven filing approach.
- **CSR-2 and AOC-4 CFS Now Linked with AOC-4:**
Filing of CSR-2 and AOC-4 CFS will be integrated within the main AOC-4 filing process.
- **Prefilled Previous Year Figures with Mandatory Explanation:**
The form will prefill the previous year's Balance Sheet and P&L figures.
- **Mandatory Disclosure of Secretarial Audit Qualifications:**
Companies are now required to disclose any qualifications made by the Secretarial Auditor, encouraging transparency in governance reporting.
- **Filing Enabled for Companies under CIRP or Liquidation:**
Companies under Corporate Insolvency Resolution Process (CIRP) or liquidation can now file AOC-4, enabling compliance continuity during distress periods.

Enhanced Disclosure Requirements in Directors' Report:

- The amendment enhances disclosures under the Sexual Harassment Act, 2013, by mandating reporting of:
 - Complaints received,
 - Complaints resolved, and
- • Cases pending over 90 days.

To strengthen workplace welfare and ensure legal compliance, companies are now required to include a declaration in the Board's Report confirming adherence to the Maternity Benefit Act, 1961, covering:

- Maternity leave provisions,
- Salary and benefits, and
- Other related employee entitlements.

The Companies (Registration Offices and Fees) Amendment Rules, 2025.

Objective:

To simplify procedural filings with the Registrar of Companies and ensure more accurate and authenticated submissions.

Key Changes:

- The revised Form GNL-1 continues to operate as a non-STP form, requiring regulatory approval includes:
 - DIN/PAN field added under Other Applicant Details.
 - "*Period of default*" field added for compounding of offence.
 - AGM due date and extension date fields added for AGM compounding.



The Companies (Management and Administration) Amendment Rules, 2025

Objective:

To enhance corporate transparency, ensure better data capture, and aid regulatory monitoring through revamped reporting formats.

Key Changes:

Introduction of revised Forms MGT-7 with the following notable updates:

- **Standardized Shareholder & Debenture Holder Details:**
Introduction of an Excel template to capture detailed lists of shareholders and debenture holders, ensuring uniformity across filings—similar to PAS-3 format.
- **Shareholder Reporting:**
A new column to record gender details of shareholders for demographic insights and improved transparency.
- **Mandatory Photograph of Registered Office:**
Attachment of a photograph showing the registered office name board, reinforcing physical address verification in line with Section 12 and INC-22.
- **Detailed Meeting Records via Excel:**
Requirement to upload data on Board, shareholder, and committee meetings, including dates and attendance, via Excel.
- **Financial Year-End Snapshot of Company Details:**
Captures the name and address of the company as of the financial year-end to avoid discrepancies due to post-year-end changes.
- **Disclosure of Beneficial Ownership & Designated Persons:**
Expanded table to record designated persons for regulatory communication and clarify beneficial ownership structures.
- **Linked MGT-8 Filing:**
MGT-8 now functions as a linked form within the MCA portal—eliminating the need for separate PDF uploads.
- **Filing Enabled for Companies under CIRP/Liquidation:**
Companies undergoing insolvency or liquidation may now file MGT-7, ensuring compliance continuity in stressed scenarios.



The Companies (Audit and Auditors) Amendment Rules, 2025.

Objective:

To improve audit-related transparency and accountability in appointments, resignations, and reporting by auditors.

Key Changes:

Revision of statutory forms related to auditors:

- **E-form ADT-1:**
Separate fields for the auditor's membership number and firm registration number, a section for audit committee recommendations, the nature of intimation of appointment, and a dedicated column for the appointment of the first auditor—enhancing clarity and compliance in auditor-related disclosures.
- **E-form ADT-2:**
Separate fields for firm registration no. for firms and membership number for auditor signing balance sheet.
- **E-form ADT-4:**
New form added and is online mode, no offline mode

The Companies (Cost Records and Audit) Amendment Rules, 2025

Objective:

To streamline and simplify the cost audit framework while ensuring better quality of disclosures.

Key Changes:

- **Updates to Form CRA-2** (appointment of cost auditor) and **CRA-4** (filing of cost audit report). These changes aim to enhance transparency in cost record maintenance and ease compliance for cost audits.



KEY TAKEAWAYS

The MCA's July 2025 amendments mark a significant step toward strengthening corporate governance by promoting digital compliance, improving transparency, and introducing more robust disclosure requirements. Key changes—such as mandatory reporting on sexual harassment and maternity benefits, detailed audit and financial reporting, and enhanced shareholder data—aim to build greater accountability and reduce the scope for non-compliance.

These reforms also elevate the role of Company Secretaries as key compliance enablers. From guiding management on new disclosures to ensuring timely filings through the MCA V3 portal, their involvement is crucial. The shift to system-driven, linked filings reduces manual errors, but demands closer monitoring, updated internal controls, and proactive governance practices across companies.

This is an opinion based on general information and should not be construed as legal advice. For specific legal concerns and advice, reach out to us at info@sarvaankassociates.com



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