



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

SUPPLEMENT EXECUTIVE PROGRAMME

(NEW SYLLABUS)

For

December, 2025 Examination

COMPANY LAW & PRACTICE

GROUP 1

PAPER 2

Students appearing in Examination shall note the following:

(Supplement covers amendments/developments from January 2023 to May 31, 2025)

Students appearing in December, 2025 Examination should also update themselves on all the relevant Notifications, Circulars, Clarifications, Orders etc. issued by MCA, SEBI, RBI & Central Government upto 31st May, 2025.

The students are advised to acquaint themselves with the monthly and Regulatory updates published by the Institute.

INDEX

S.No.	Lesson No. and Name	<u>Page No.</u>
1	Lesson 1: Introduction to Company Law	3-5
2	Lesson 2: Legal Status and Types of Registered Companies	6-6
3	Lesson 4: Shares and Share Capital- Concepts	7-11
4	Lesson 5: Members and Shareholders	12-14
5	Lesson 8: Distribution of Profits	15-16
6	Lesson 9: Accounts and Auditor	17-22
7	Lesson 10: Compromise, Arrangement and Amalgamation -Concept	23-24
8	Lesson 11: Dormant Company	25-25
9	Lesson 12: Inspection, Inquiry and Investigation	26-27
10	Lesson 13: General Meetings	28-28
11	Lesson 14: Directors	29-30
12	Lesson 17: Corporate Social Responsibility	33-34
13	Lesson 18: Annual Report-Concepts	35-35
14	Lesson 19: Key Managerial Personnel (KMP's) and their Remuneration	36-36
15	Miscellaneous	37-82

*(i) Lesson 10: Only topics, "Oppression and Mismanagement; Class Actions Suits" are deleted from the Executive Programme

*(ii) Lesson 12 is deleted from the Executive Programme.

*(iii) Lesson 17 is deleted and the topics, "Policy; Activities and CSR Committee" are relocated in Lesson 18.

The topics, "CSR Expenditure; Ongoing Project; Impact Assessment" are deleted from the Executive Programme.

Lesson 1: Introduction to Company Law

1. MCA Establishes Centre for Processing Accelerated Corporate Exit (March 17, 2023)

The Ministry of Corporate Affairs (MCA) vide its notification dated March 17, 2023 has notified that in exercise of the powers conferred by section 396(1) of the Companies Act, 2013, the Central Government establishes a Centre for Processing Accelerated Corporate Exit (C-PACE). The C-PACE shall be located at the Indian Institute of Corporate Affairs (IICA), Manesar, Gurugram. This notification shall come into force with effect from the 01st day of April, 2023.

Brief analysis:

Hon'ble Finance Minister Smt. Nirmala Sitharaman during Budget speech 2022 stated that "Center for accelerated corporate exit to be set up to accelerate corporate exits". In view of the same the MCA vide issuing notification dated March 17, 2023 has established the Centre for Processing Accelerated Corporate Exit (C-PACE). The C-PACE be located at the Indian Institute of Corporate Affairs (IICA), Manesar, Gurugram. It will be effective from 01st April, 2023.

C-PACE is a significant step towards providing ease to companies for closing their business and getting their names removed from the Register of Companies. It caters to make the process of removal of names more streamlined and efficient, saving time and effort for companies.

For details:

<https://egazette.nic.in/WriteReadData/2023/244467.pdf>

2. The Central Government establishes a Central Processing Centre at Indian Institute of Corporate Affairs (February 02, 2024)

1. In exercise of the powers conferred by sub-sections (1) and (2) of section 396 of the Companies Act, 2013 (18 of 2013), the Central Government hereby establishes a Central Processing Centre at Indian Institute of Corporate Affairs, Plot No. 6,7,8, Sector 5, IMT Manesar, District Gurgaon (Haryana), Pin Code- 122050 having territorial jurisdiction all over India, for the purpose of the provisions of the said section.

2. The Central Processing Centre shall process and dispose off e-forms filed along with the fee as provided in the Companies (Registration of Offices and Fees) Rules, 2014.

3. The jurisdictional Registrar, other than Registrar of the Central Processing Centre, within whose jurisdiction the registered office of the company is situated shall continue to have jurisdiction over the companies whose e-forms are processed by the Registrar of the Central Processing Centre in respect of all other provisions of the Companies Act, 2013 and the rules made thereunder.

4. This notification shall come into force from the 6th February, 2024.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=FrgS%252FjRXtmK%252BHpwL13BHRQ%253D%253D&type=open>

3. The Companies (Registration Offices and Fees) Amendment Rules, 2024 (February 14, 2024)

In the Companies (Registration Offices and Fees) Rules, 2014, after rule 10, the following rule shall be inserted, namely:-

“10A. Central Processing Center.-

(1) The Registrar of the Central Processing Center established under sub-section (1) of section 396 shall examine or cause to be examined every application or e-Form or document required or authorised to be filed or delivered as provided under sub-rule (3), for approval, registration or taking on record by the Registrar.

(2) The Registrar shall take a decision on the application, e-forms or documents within thirty days from the date of its filing excluding the cases in which an approval of the Central Government or the Regional Director or any other competent authority is required.

(3) The provisions of sub-rule (2) to (5) of rule 10 shall apply mutatis mutandis in relation to the examination of application, e-Forms or documents under this rule.

(4) The Registrar of the Central Processing Center shall exercise jurisdiction all over India in respect of the examination of following application, e-Forms or documents, as specified under Companies Registration Offices and Fees) Amendment Rules, 2024.

Brief Analysis:

The Central Government established a Central Processing Centre (CPC) for examining applications, e-Forms, or documents required under the Companies Act, 2013. By inserting new section 10A after Section 10 empowers the ministry to make the necessary changes for the establishment of CPC and clarify the scope, jurisdiction and limitation of the CPC.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NDE5MTIyNDU3&docCategory=Notifications&type=open>

4. Deployment and usage of Change Request Form (CRF) on MCA-21-reg. (General Circular No. 02/2024 dated February 19, 2024)

Stakeholders are informed that Change Request Form (CRF) has been made available on V3 portal for the convenience of users of MCA-21 services. This web- based Form is to be used only under exceptional circumstances, for making a request to Registrar of Companies (RoCs), for the purposes which cannot be catered through any existing form or services or functionality available either at Front Office level (users of MCA-21 services) or Back Office level (RoCs).

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NDE5NDU5Nzc5&docCategory=Circulars&type=open>

5. The Nidhi (Amendment) Rules, 2024 (July 16, 2024)

In exercise of the powers conferred by sub-section (1) of section 406 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 the Central Government notified the Nidhi (Amendment) Rules, 2024.

According to the Amended Rules in the Nidhi Rules, 2014, in rule 4, in sub-rule (5,) the following proviso shall be inserted, namely:

“Provided that a company shall not use the words “Nidhi Limited” in its name unless it is declared as such under subsection (1) of section 406 of the Act.”

Thus, A Company shall not use the words “Nidhi Limited unless it is declared by the Central Government by notification in the Official Gazette as declared to be a Nidhi or Mutual Benefit Society, as the case may be.

For details:

[https://egazette.gov.in/\(S\(remjsj34fvzoz2c3lxypeqci\)\)/error.aspx?aspxerrorpath=/ViewPDF.aspx](https://egazette.gov.in/(S(remjsj34fvzoz2c3lxypeqci))/error.aspx?aspxerrorpath=/ViewPDF.aspx)

6. Limited Liability Partnership (Amendment) Rules, 2024 (August 05, 2024)

In exercise of the powers conferred by sub-sections (1) and (2) of section 79 of the Limited Liability Partnership Act, 2008 the Central Government notified the Limited Liability Partnership (Amendment) Rules, 2024.

Centre for Processing Accelerated Corporate Exit or C-PACE in short was established vide MCA Notification dated 17th March, 2023 which shall be situated at Indian Institute of Corporate Affairs for faster closure of Companies & LLP.

- Under these amended rules, effective from the 27th August 2024, the application for voluntary closure of LLPs will now be approved by C-PACE along with of the Registrar.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=mvMzerxrXhRIKJfjXltgrg%253D%253D&type=open>

Lesson 2: Legal Status and Types of Registered Companies

1. The (Incorporation) Amendment Rules, 2024 (July 16, 2024)

In exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 the Central Government notified (Incorporation) Amendment Rules, 2024.

As per the amended rules the word Nidhi shall be omitted from clause (p) which means that if the proposed name includes word Nidhi a declaration to be submitted by the applicant that the requirements mandated by the respective regulator have been complied with by the applicant is not mandatory.

Clause (v) which states that the proposed name of a Nidhi company under the Act does not have the last words “Nidhi Limited” as a part of its name shall be omitted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=TaZb6FKHcrk2uA%252B354fxBA%253D%253D&type=open>

Lesson 4: Shares and Share Capital- Concepts

1. The Companies (Share Capital and Debentures) Amendment Rules, 2023

The Ministry of Corporate Affairs (MCA) has notified the Companies (Share Capital and Debentures) Amendment Rules, 2023 to further amend the Companies (Share Capital and Debenture) Rules, 2014. The provisions have come into effect from 23.01.2023.

Brief Analysis:

Through amendment in rule 17(14) the changes to the provision relating to buy-back of shares or other securities has been made. The requirement of annexing a certificate along with the return in Form SH.11 has been substituted with submitting of a declaration instead. This declaration must be signed by two directors of the company including the managing director, if any, certifying that the buy-back of securities has been made in compliance with the provisions of the Act and the rules made thereunder.

Additionally, the amendment has also brought about revisions in the following forms:

Form No. SH. 7- Notice to Registrar of any alteration of share capital

Form No. SH. 8- Letter of Offer

Form No. SH. 9- Declaration of Solvency

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjUwNjU2NDY4&docCategory=Notifications&type=open>

2. The Companies (Prospectus and allotment of securities) Amendment Rules, 2023

The Ministry of Corporate Affairs has notified the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2023 to amend the Companies (Prospectus and Allotment of Securities) Rules, 2014. The provisions have come into effect from 23.01.2023.

Brief Analysis:

Through amendment rule 12(6) has been omitted which was earlier requiring, in the case of the issue of bonus shares, a copy of the resolution passed in the general meeting authorizing the issue of such shares shall be attached to the Form PAS-3. Also that, Form PAS-2, Form PAS-3 and Form PAS-6 are substituted.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjQxMTMwNDA2&docCategory=Notifications&type=open>

3. The Companies (Share Capital and Debentures) Amendment Rules, 2023

The Ministry of Corporate Affairs (MCA) has notified the Companies (Share Capital and Debentures) Amendment Rules, 2023 to further amend the Companies (Share Capital and Debenture) Rules, 2014. The provisions have come into effect from 23.01.2023.

Brief Analysis:

Through amendment in rule 17(14) the changes to the provision relating to buy-back of shares or other securities has been made. The requirement of annexing a certificate along with the return in Form SH.11 has been substituted with submitting of a declaration instead. This declaration must be signed by two directors of the company including the managing director, if any, certifying that the buy-back of securities has been made in compliance with the provisions of the Act and the rules made thereunder.

Additionally, the amendment has also brought about revisions in the following forms:

Form No. SH. 7- Notice to Registrar of any alteration of share capital

Form No. SH. 8- Letter of Offer

Form No. SH. 9- Declaration of Solvency

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjUwNjU2NDY4&docCat=egory=Notifications&type=open>

4. Reduction of timeline for listing of shares in Public Issue from existing T+6 days to T+3 days

SEBI, consequent to extensive consultation with the market participants and considering the public comments received pursuant to consultation paper on the aforesaid subject matter, reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days). 'T' being issue closing date.

The T+3 timeline for listing shall be appropriately disclosed in the Offer Documents of public issues. The timelines for submission of application, allotment of securities, unblocking of application monies and listing shall prominently be made a part of pre-issue, issue opening and issue closing advertisements issued by the Issuer for public issues in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2023/reduction-of-timeline-for-listing-of-shares-in-public-issue-from-existing-t-6-days-to-t-3-days_75122.html

5. The Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023

The Ministry of Corporate Affairs (MCA) vide its notification dated October 27, 2023 has notified “the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023” which has come into force on the date of its publication in the Official Gazette. The amendments are made with respect to:

- (a) issued share warrants under the erstwhile the Companies Act, 1956; and
- (b) issue of securities in dematerialised form by private companies excluding small companies and government companies.

Brief Analysis:

- i) According to the amendment every public company which issued share warrants prior to commencement of the Companies Act, 2013 and not converted into shares shall:
 - a) within a period of 3 months of the commencement of the aforesaid amendment rules shall inform the Registrar about the details of such share warrants in Form PAS-7; and
 - b) within a period of 6 months of the commencement of the aforesaid amendment rules, require the bearers of the share warrants to surrender such warrants to the company and get the shares dematerialised in their account and for this purpose the company shall place a notice for the bearers of share warrants in Form PAS-8 on the website of the company, if any and shall also publish the same in a newspaper in the vernacular language which is in circulation in the district and in English language in an English newspaper, widely circulated in the State in which the registered office of the company is situated.
 - c) further in case any bearer of share warrant does not surrender the share warrants within the period referred, the company shall convert the such share warrants into dematerialised form and transfer the same to the Investor Education and Protection Fund established under section 125 of the Act.

According to the amendment now mandatory dematerialisation requirement is applicable on all securities of every private company also, but excluding small companies and government companies. A timeline of 18 months is provided from the closure of the financial year in which a private company is not a small company for the compliance with the mandatory dematerialisation requirements.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=ZvNqoKdfvPrRcqeoGzGdDg%253D%253D&type=open>

6. The Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024 (January 24, 2024)

The Ministry of Corporate Affairs (MCA) vide its notification dated January 24, 2023 has notified “the Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024” which has come into force on the date of its publication in the Official Gazette. The new rules prescribes the provisions related to applicability, listing on permitted stock exchanges in permissible jurisdictions, certain companies not eligible etc.

Further, the Ministry has launched the Form LEAP-1 under the Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024 for compliance related filings.

This policy initiative, to enable listing of Indian companies in GIFT-IFSC, will reshape the Indian capital market landscape and offers Indian companies, especially start-ups and companies in the sunrise and technology sectors, an alternative avenue to access global capital beyond the domestic exchanges. This is expected to lead to better valuation of Indian companies in line with global standards of scale and performance, boost foreign investment flows, unlock growth opportunities and broaden the investor base. The public Indian companies will have the flexibility to access both markets i.e. domestic market for raising capital in INR and the international market at IFSC for raising capital in foreign currency from the global investors. This initiative will particularly benefit Indian companies going global and having ambitions to look at opportunities for expanding their presence in other markets. It is also expected to provide a boost to the capital market ecosystem at GIFT IFSC by provision of new investment opportunities for investors, diversification of financial products and by enhancing liquidity.

Brief Analysis:

In pursuance of the announcement on July 28, 2023 by Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman to enable direct listing of Indian Companies at GIFT- IFSC exchanges in the first phase, the Department of Economic Affairs (DEA), Ministry of Finance, has amended Foreign Exchange Management (Non-debt Instruments) Rules, 2019, and notified the 'Direct Listing of Equity Shares of Companies Incorporated in India on International Exchanges Scheme'.

Simultaneously, the Ministry of Corporate Affairs (MCA) has issued Companies (Listing of Equity Shares in Permissible Jurisdictions) Rules, 2024. These, together, provide an overarching regulatory framework to enable public Indian companies to issue and list their shares in permitted international exchanges. As of now, the framework allows unlisted public Indian companies to list their shares on an international exchange. SEBI is in the process of issuing the operational guidelines for listed public Indian companies. The international stock exchanges at GIFT-IFSC under the regulatory supervision of IFSCA namely, India International Exchange and NSE International Exchange have been, currently, prescribed as permitted stock exchanges under the Rules and the Scheme.

Earlier, through the Companies (Amendment) Act, 2020, enabling provisions were included in the Companies Act, 2013, to allow direct listing of prescribed class (es) of securities of prescribed class (es) of public companies incorporated in India on permitted stock exchanges in permissible foreign jurisdictions or other prescribed jurisdictions. The enabling provisions of the Companies (Amendment) Act, 2020 were, accordingly, brought into force with effect from 30th October, 2023.

FAQs on Direct Listing Scheme may be accessed vide link:<https://static.pib.gov.in/WriteReadData/specificdocs/documents/2024/jan/doc2024124300801.pdf>

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=qcIDsiX0Le%252F2EMv7m1iyEw%253D%253D&type=openhttps://pib.gov.in/PressReleaseIframePage.aspx?PRID=1999154>

7. The Companies (Prospectus and Allotment of Securities) Amendment Rules, 2024 (September 20, 2024)

In exercise of the powers conferred under the Companies Act, 2013 the Central Government hereby has notified the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2024.

- Rule 9B relates to Issue of securities in dematerialised form by private companies.
- As per the amendment in the Companies (Prospectus and Allotment of Securities) Rules, 2014, a producer company covered under rule 9B (2) shall issue the securities only in dematerialised form and facilitate dematerialisation of all its securities, in accordance with provisions of the Depositories Act, 1996 and regulations made thereunder and comply with the provision within a period of five years of closure of such financial year.

For details:

[https://egazette.gov.in/\(S\(vphtbn22k1yu1fpfrxqcgya4\)\)/error.aspx?aspxerrorpath=/ViewPDF.aspx](https://egazette.gov.in/(S(vphtbn22k1yu1fpfrxqcgya4))/error.aspx?aspxerrorpath=/ViewPDF.aspx)

8. The Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025 (February 12, 2025)

The Ministry of Corporate Affairs (MCA) vide its notification G.S.R (E) dated February 12, 2025, has notified "the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025 " which has come into force on the date of its publication in the Official Gazette. According to the amendment a new proviso is inserted in rule 9B(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 stating:

"Provided further that a private company, other than a Producer company, which is not a small company as on 31st March, 2023, may comply with the provision of this sub-rule by 30th June, 2025."

Brief Analysis:

MCA through the Amended Rules, has extended the deadline to comply with dematerialisation requirements until 30 June 2025 for private limited companies whose financial year (FY) ended on 31 March 2023 (other than small companies). The extension of due dates through these amended rules is a welcome step that would provide a breather to several private companies who are still in the process of complying with the dematerialisation requirements.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=yeQWfyzcq0q1VEXRFUuTw%253D%253D&type=open>

Lesson 5: Members and Shareholders

1. The Companies (Management and Administration) Amendment Rules 2023

The Ministry of Corporate Affairs has notified the Companies (Management and Administration) Amendment Rules, 2023 to amend the Companies (Management and Administration) Rules, 2014. The provisions have come into effect from 23.01.2023. Through amendment the Form MGT- 3 relating to Notice of situation or change of situation or discontinuation of situation, of place where foreign register shall be kept, has been substituted and Form MGT- 14 relating to Filing of Resolutions and agreements to the Registrar, has been substituted.

For details:

<https://www.mca.gov.in/bin/ebookgetdocument?doc=MjQxMTIwNzUz&docCategory=Notifications&type/dms/=>

2. The Companies (Management and Administration) Second Amendment Rules, 2023

The Ministry of Corporate Affairs (MCA) vide its notification dated October 27, 2023 has notified “the Companies (Management and Administration) Second Amendment Rules, 2023” which has come into force on the date of its publication in the Official Gazette. According to the amendment under rule 9 (Declaration in Respect of Beneficial Interest in Any Shares) of the Companies (Management and Administration) Rules, 2014 five new sub-rules are introduced stating:

- i) To designate a responsible person for providing information to the Registrar or any authorized officer regarding beneficial interests in the company’s shares;
- ii) Options for designating a responsible person, which may include a company secretary, key managerial personnel (other than the company secretary), or every director (if there is no company secretary or key managerial personnel);
- iii) Until a responsible person is designated, certain specified individuals under rules are deemed to have been designated;
- iv) Every company shall inform the details of the designated person in Annual return; and
- v) Further, in case of any change in designated person, the company shall intimate the Registrar vide E Form GNL-2.

Brief Analysis:

Vide issuing the Companies (Management and Administration) Second Amendment Rules, 2023 in rule 9, after sub-rule (3), the MCA has inserted following sub-rules:

- i) Sub-rule(4): Every company shall designate a person who shall be responsible for furnishing, and extending co-operation for providing, information to the Registrar or any other authorised officer with respect to beneficial interest in shares of the company. **(To designate a responsible person)**
- ii) Sub-rule (5): For the purpose of sub-rule(4), the company may designate-
 - a. a company secretary, if there is a requirement of appointment of such company secretary under the Act and the rules made thereunder; or
 - b. a key managerial personnel, other than the company secretary; or

c. every director, if there is no company secretary or key managerial personnel. **(Options to choose responsible person)**

iii) Sub-rule (6): Until a person is designated as referred under sub-rule (4), the following persons shall be deemed to have been designated person;

a. company secretary, if there is a requirement of appointment of such company secretary under the Act and the rules made thereunder; or

b. every Managing Director or Manager, in case a company secretary has not been appointed; or

c. every director, if there is no company secretary or a Managing Director or Manager. **(Persons deemed to be designated as responsible person)**

iv) Sub-rule (7): Every company shall inform the details of the designated person in Annual return. **(Disclosure in Annual Report)**

v) Sub-rule (8): If the company changes the designated person at any time, it shall intimate the same to the Registrar in e-form GNL-2 specified under the Companies (Registration Offices and Fees) Rules, 2014. **(Intimation to RoC in case of change of designated person)**

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=Mzc2Nzk4OTY0&docCategory=Notifications&type=open>

3. Companies (Significant Beneficial Owners) Amendment Rules, 2024 (July 15, 2024)

In exercise of the powers conferred by section 90 read with sub-sections (1) and (2) of section 469 read with section 90 of the Companies Act, 2013 the Central Government issued Companies (Significant Beneficial Owners) Amendment Rules, 2024 According to the Amended Rules, Form No. BEN-2 shall be substituted in the Companies (Significant Beneficial Owners) Rules, 2018.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=GmF%252F0gF%252FphrbB6SdgF0FSQ%253D%253D&type=open>

3. Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2024. (September 09, 2024)

In exercise of the powers conferred by sub-sections (1), (2), (3), (4), (8), (9), (10) and (11) of section 125 and sub-section (6) of section 124 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2024.

- The changes intend to raise the minimum claim amount required to submit a claim to the IEPF Authority and to make clear the procedure for transferring securities to legal heirs. Legal heir certificates from tax authorities are now accepted under the laws, but they also call for further paperwork like indemnity bonds and no objection certifications from other legal heirs.

- A new requirement is brought stating that businesses to acquire insurance coverage for risks related to verification reports. The purpose of these modifications is to simplify the procedure for investors to retrieve misplaced or unclaimed assets and safeguard the interests of corporations and investors alike

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=U0MUCISSaXRSw6YtZ1D98w%253D%253D&type=open>

4. Case Law

RoC adjudication order in Re LinkedIn Technology Information Private Limited No. ROC/D/Adj/Order/Section 89&90/2246- 2256 Date: 22.05.2024

Order for Penalty for Violation under Section 89 and Section 90 of the Companies Act, 2013

Facts of the case:

The Registrar of Companies (ROC) of Delhi and Haryana on 22 May, 2024 in the matter of LinkedIn India Technology Private Limited (LinkedIn) has passed an adjudication order against LinkedIn for the violation of the statutory compliance under Sections 89 and 90 of the Companies Act 2013 with regard to non-declaration of beneficial owners and significant beneficial owners (SBO).

As per Section 90 of the Companies Act, 2013 read with Rule 2(1) (h) and 2A of the Companies (Significant Beneficial Ownership) Rules, 2018, an individual, whether acting alone or together or through one or more persons or trust, holds indirectly or together with any direct holdings not less than ten percent of shares or voting rights in shares or the right to receive not less than ten percent of dividend in a financial year or has the right to exercise or actually exercises "significant influence" or "control" over the company is considered to an Significant Beneficial Owner and is required to make a declaration to the company within thirty days of acquiring such interest. Additionally, as per Section 90 (4A), a company is also required to take necessary steps to identify an individual who is an Significant Beneficial Owner in relation to the company and cause him to comply with the provision of Section 90.

Decision:

The ROC based its findings on majorly three grounds:

1. Holding-subsidiary relationship (LinkedIn Corporation by the virtue of being the holding company of LinkedIn India as stated in its financial statements has control over the composition of the board of directors of LinkedIn India)
2. Reporting channels (majority of the directors in LinkedIn India were either the employees of the Microsoft Corporation or the LinkedIn Corporation)
3. Board resolution passed by LinkedIn India by which it authorized the Chief financial officer, treasurer and assistant treasurer of Microsoft Corporation to operate the bank accounts of LinkedIn India.

The RoC's Order penalized LinkedIn India and its directors along with Mr. Ryan Roslansky and Mr. Satya Nadella, with a cumulative amount of Rs. 21.5 lakhs on the grounds that they failed to declare their SBO in LinkedIn India.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=san%252BPg76sl9tkgd5lcHzZg%253D%253D&type=open>

Lesson 8: Distribution of Profits

1. The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024 (July 16, 2024)

In exercise of the powers conferred by sub-sections (1), (2), (3), (4), (8), (9), (10) and (11) of section 125 and subsection (6) of section 124 read with section 469 of the Companies Act, 2013 the Central Government notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024.

According to the amendments in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the following amendments shall be made:

1. Form "IEPF-3" is substituted with IEPF- 4"

2. Form "IEPF-7" is substituted with "IEPF- 1"

3. In sub- rule (13):

(i) earlier the any amount required to be credited by the companies to the Fund as provided under sub-rules (10), (11) and sub-rule (12) shall be remitted into the specified account of the IEPF Authority maintained in the Punjab National Bank within 30 days. However, after the amendment the amount shall be transferred online to the Authority within a period of thirty days from the date such amount becomes due.

(ii) the words, "within thirty days from the date of remittance or within thirty days from the date of enforcement of these Rules, as the case may be" shall be omitted.

4. In sub-rule (13A),

(i) Earlier any amount required to be credited by the companies to the Fund as provided under sub-rule (11A) shall be remitted into the specified account of the IEPF Authority maintained in the Punjab National Bank. However, after the amendment it shall be transferred online to the Authority within a period of thirty days from the date such amount becomes due.

(ii) the words, "within thirty days from the date of remittance or within thirty days from the date of commencement of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Third Amendment, Rules, 2021, as the case may be" shall be omitted.

5. In rule 6A, in sub-rule (12) –

(i) Earlier any amount required to be credited by the companies to the Fund as provided under sub-rules (9), (10) and sub-rule (11) shall be remitted into the specified account of the IEPF Authority maintained in the Punjab National Bank. However, after the amendment it shall be transferred online to the Authority.

(ii) for the words, "from the date of remittance", the words "of such amount becoming due to be credited to the Fund" shall be substituted.

6. Forms IEPF-1, IEPF-1A, IEPF-2 of the said rules shall be substituted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=P8CBgh44cfDr98J2el6P6Q%253D%253D&type=open>

2. Merger of Forms IEPF-3 With IEPF-4 and IEPF-7 with IEPF-1 along with change in payment process thereof in MCA Version 3 (July 17, 2024)

To ease compliance burden and simplify filings, it has been decided to merge form IEPF-3 with Form IEPF-4& IEPF-7 with IEPF-1 in MCA Version 3. The revised forms will be made STP (Straight through process).

Brief Analysis:

Pursuant to sub — rule (10), (11), (11A)& sub- rule (12) of rule 6 and subrule (9), (10)& (11) of rule 6A of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, various amounts needs to be transferred to the Authority as due on the shares transferred by the companies to it under sub- section (6) of section 124 of the Companies Act, 2013 and Form No IEPF-7 was required to be filed accordingly under sub- rule (13) &(13A) of rule 6 and sub-rule (12) of rule (6A) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules.

Similarly, for shares and unpaid dividend not transferred to the Authority, the company was required to file Form No IEPF-3 under proviso to sub-rule (3(B)) of rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules.

Therefore, in supersession of General Circular No.12/2017, the amount required to be transferred under the provisions mentioned in para 1 will be required to be transferred online through MCA 21 through “Pay Miscellaneous Fee” service after selecting option “Investor Education and Protection Fund”. The stakeholders are requested to plan accordingly.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=HUMO%252BJ649ilkfBF%252Bb%252FTxoQ%253D%253D&type=open>

Lesson 9: Accounts and Auditor

1. The Companies (Indian Accounting Standards) Amendment Rules, 2023

The Ministry of Corporate Affairs (MCA) vide its notification dated March 31, 2023 has notified “the Companies (Indian Accounting Standards) Amendment Rules, 2023” which has come into force with effect from April 01, 2023. According to one of the amendment, a new para has been inserted in Ind AS 101, which states deferred tax related to assets and liabilities arising from a single transaction shall apply for annual reporting periods beginning on or after 01.04.23. Various other amendments in Ind AS 102, 103, 107, 109 and 115 have also been notified.

Brief Analysis:

The Ministry of Corporate Affairs (MCA) in consultation with National Financial Reporting Authority (NFRA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015. Following Ind AS has been amended *viz*:

☑ Ind AS 101 (First-time adoption of Indian Accounting Standards);

- Ind AS 102 (Share based payment);
- Ind AS 103 (Business Combinations);
- Ind AS 107 (Financial Instruments: Disclosures);
- Ind AS 109 (Financial Instruments);
- Ind AS 115 (Revenue from Contracts with Customers);
- Ind AS 1 (Presentation of Financial Statements);
- Ind AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors);
- Ind AS 12 (Income Taxes); and

Ind AS 34 (Interim Financial Reporting).

For details:

<https://egazette.nic.in/WriteReadData/2023/244871.pdf>

2. The Companies (Authorised to Register) Amendment Rules, 2023

The Ministry of Corporate Affairs has notified the Companies (Authorised to Register) Amendment Rules, 2023 to amend the Companies (Authorised to Register) Rules, 2014. The provisions have come into effect from 23.01.2023. According to the amendment the Form No. AOC-5 relating to Notice of Address at which books of account are to be maintained, has been substituted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=XcGdPrIsMJTYfnc9%252BXAl1w%253D%253D&type=open>

3. Companies (Indian Accounting Standards) Amendment Rules, 2024 (August 12, 2024)

In exercise of the powers conferred by section 133 read with section 469 of the Companies Act, 2013, the Central Government, in consultation with the National Financial Reporting Authority, have notified Companies (Indian Accounting Standards) Rules, 2024.

According to the amendments following changes are made in Companies (Indian Accounting Standards) Rules, 2015:

1. Indian Accounting Standard (Ind AS) 117 which relates to Insurance Contracts is being inserted to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

2. In order to correspond with Indian Accounting Standard (Ind AS) 117, modifications are also made to Indian Accounting Standard (Ind AS) 101, (Ind AS) 103, (Ind AS) 105, (Ind AS) 107, (Ind AS) 109, and (Ind AS) 115.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=4iwngdxt9oFj%252Bpp05r1EZA%253D%253D&type=open>

4. The Companies (Indian Accounting Standards) Second Amendment Rules, 2024 (September 09, 2024)

In exercise of the powers conferred by section 133 read with section 469 of the Companies Act, 2013 the Central Government, in consultation with and after examination of the recommendations made by the National Financial Reporting Authority have notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024.

One of the significant changes is the addition of new clauses pertaining to leaseback transactions under Indian Accounting Standard (Ind AS) 116. The changes ensure that gains or losses related to retained rights are not recognized unless specific requirements are met, providing seller-lessees with greater clarity on how to use lease obligations and the right-of-use asset.

Additionally, illustrative examples are provided to demonstrate the proper application of the modified rules, including how to manage sale and leaseback transactions including both variable and fixed payments. These rules aim to simplify accounting processes while ensuring compliance with the Ind AS laws. The changes will take effect for reporting periods beginning on or after April 1, 2024.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=G2RyU1%252F3f6giST1Y5Hresw%253D%253D&type=open>

5. The Companies (Accounts) Amendment Rules, 2024 (September 24, 2024)

In exercise of the powers conferred under Companies Act, 2013 the Central Government hereby notified the Companies (Accounts) Amendment Rules, 2024

As per the amendments a new proviso is being inserted in the Companies (Accounts) Rules, 2014, in rule 12 (1B) which reads as follows:

Provided also that for the financial year 2023-2024, Form CSR-2 shall be filed separately on or before 31st December, 2024 after filing Form No. AOC-4 or Form No. AOC-4-NBFC (Ind AS), as specified in these rules or Form No. AOC-4 XBRL as specified in the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015 as the case may be.

For details:

[https://egazette.gov.in/\(S\(ky1psb3erjbgsqlng2xpjq42k\)\)/error.aspx?aspxerrorpath=/ViewPDF.aspx](https://egazette.gov.in/(S(ky1psb3erjbgsqlng2xpjq42k))/error.aspx?aspxerrorpath=/ViewPDF.aspx)

6. The Companies (Indian Accounting Standards) Third Amendment Rules, 2024 (28th September, 2024)

In exercise of the powers under the Companies Act, 2013 the Central Government, has notified the Companies (Indian Accounting Standards) Third Amendment Rules, 2024.

The amendments are made in Rule 5 of the Companies (Indian Accounting Standards) Rules, 2015 stating that an insurer or insurance company may provide its financial statement as per Ind AS 104 for the purposes of consolidated financial statements by its parent or investor or venturer till the Insurance Regulatory and Development Authority notifies the Ind AS 117 and for this purpose, Ind AS 104 shall, as specified in the Schedule to these rules, continue to apply.

Accordingly, after the Annexure to the said rules and the entries relating thereto, the Schedule is being inserted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=uACoyuaVbuLEUjj8ds3Erw%253D%253D&type=open>

7. NFRA finalises and recommends Auditing Standards to the Central Government for notifying under Section 34A of LLP (Amendment) Act 2021 (November 25, 2024)

The National Financial Reporting Authority held its 19th Meeting on 25 November 2024 to finalise and recommend Auditing Standards to the Central Government for notifying under Section 34A of LLP (Amendment) Act 2021. The Authority decided to recommend the 40 Standards on Auditing (SAs) and related Standards on Quality Management (SQM), which were finalised by the Authority in its 18th Meeting held on 11-12 November 2024 for audit of Companies, to be applicable to audit of LLPs on a mutatis mutandis basis. Upon the approval of the Central Government, these Standards are recommended to be effective from 1.04.2026.

Brief Analysis:

In August 2021, Parliament passed the Limited Liability Partnership (Amendment) Act to encourage the startup ecosystem and further boost the ease of doing business. The amended Act inserted a new Section 34A to empower the central government, in consultation with NFRA, to prescribe 'accounting standards' or 'Auditing Standards' for a class or classes of LLPs.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2077025>

8. Case Law**The petition for re-opening of accounts is dismissed**

Mr. Muralidhar Rao Maddiboina (Applicant) Vs. M/s. Aayusiddhi Life Sciences Private Limited and others (Respondent) The National Company Law Tribunal Hyderabad Bench-II 03.10.2024

Facts of the case:

One of the directors of the Company has filed petition under Section 130 of the Companies Act, 2013 and prayed for re-opening of the accounts for the financial years 2012-2013, 2013-2014 and 2014-2015 alleging falsification of the accounts. On verification of the details of the unsecured loans and transactions relating to the sales and purchases, it was suspected that certain manipulations had taken place in the Respondent Company's transactions resulting in the falsification of the books of accounts. In view of the wrong-doings, the Company thought it fit to get an Investigation Audit which was conducted by a Chartered Accountants firm.

Judgement:

The NCLT examined the facts and law, conclusion arrived is that the findings of the auditor are based on surmises and conjectures. The auditor is himself not sure about his findings, rather observed many times that there might be manipulations/deliberate omissions in the sales and purchases etc. and further there is also lack of evidence. The audit's findings are inconclusive and speculative. The Secretarial and Financial due diligence reports also does not show any substantive findings or observation.

The NLCT concluded that the report of the auditor lacks credibility and persuasiveness. The Registrar of Companies (ROC) was also unable to provide an opinion on the matter, as the reopening of accounts was based solely on a forensic audit conducted by a private entity, without any statutory inquiry, inspection, or investigation report. As there is not sufficient evidence for the reopening of accounts and accordingly the Petition is dismissed.

For details:

https://nclt.gov.in/gen_pdf.php?filepath=/Efile_Document/ncltdoc/casedoc/3607130004522019/04/Order-Challenge/04_order-Challange_004_1728018672183404536566ff78f0f1f21.pdf

10. SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 (December 12, 2024)

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. It may be noted that sub-regulations VI and XX of regulation 3 of these regulations shall come into force with effect from December 31, 2024.

Vide the above notification, SEBI inter alia has amended regulation 24A of the SEBI (LODR) Regulations, 2015, whereby prescribing that every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity. On the basis of recommendation of board of directors, a listed entity shall appoint or re-appoint:

- i. an individual as Secretarial Auditor for not more than one term of five consecutive years; or
- ii. a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of its shareholders in its Annual General Meeting.

Further provided that the listed entity shall ensure that with effect from April 1, 2025, the Secretarial Compliance Report submitted to the stock exchange(s) on annual basis is signed only by the Secretarial Auditor or by a Peer Reviewed Company Secretary who satisfies the conditions mentioned above.

For details:

[https://egazette.gov.in/\(S\(xnsgfqkxyonppau5xhzy323b\)\)/error.aspx?aspxerrorpath=/ViewPDF.aspx](https://egazette.gov.in/(S(xnsgfqkxyonppau5xhzy323b))/error.aspx?aspxerrorpath=/ViewPDF.aspx)

11. The Companies (Indian Accounting Standards) Amendment Rules, 2025. (May 07, 2025)

The Ministry of Corporate Affairs have notified the Companies (Indian Accounting Standards) Amendment Rules, 2025. The amendment in Indian Accounting Standard (Ind AS) 21 clarifies the concept of exchangeable currency and states that an entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency.

Brief Analysis:

The Companies (Indian Accounting Standards) Amendment Rules, 2025, issued by the Ministry of Corporate Affairs (MCA) on May 7, 2025, primarily focus on updating Ind AS 21 (Foreign Currency Transactions and Foreign Operations) and Ind AS 101 (First-time Adoption of Indian Accounting Standards). The amendments provide more clarity on assessing and accounting for foreign currency transactions and foreign operations, particularly when a currency is not exchangeable. These changes affect the accounting for changes in foreign exchange rates, including disclosures related to non-exchangeable currencies and the estimation of spot exchange rates.

For details: [https://egazette.gov.in/\(S\(4umpqpnaylip2mzi2wuxd3i\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(4umpqpnaylip2mzi2wuxd3i))/ViewPDF.aspx)

12. The Companies (Accounts) Second Amendment Rules, 2025 (May 30, 2025)

The Ministry of Corporate Affairs (MCA) vide its notification G.S.R 357(E) dated May 30, 2025, has notified “the Companies (Accounts) Second Amendment Rules, 2025” which shall come into force with effect from the 14th day of July, 2025. According to the amendment, in rule 5 and rule 8, the Form AOC-1 and Form AOC-2 are to be referred as e-Form AOC-1 and e-Form AOC-2 respectively.

Further, in rule 5(x) following mentioned additional details shall be given with a statement that the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 with respect to:

- (a) number of complaints of sexual harassment received in the year;
- (b) number of complaints disposed off during the year; and
- (c) number of cases pending for more than ninety days.

Also that, additional detail in form of a statement by the company with respect to the compliance of the provisions relating to the Maternity Benefit Act 1961, has to be served in Board Report of the company.

In rule 12, a new clause is added stating:

(1C) Every company, along with the relevant e-Form No. AOC-4, AOC-4 CFS, AOC-4 XBRL, AOC-4 NBFC (Ind AS) or AOC-4 CFS NBFC (Ind AS) and the respective attachments in portable document format as required, shall also file e-Form Extract of Board Report, Extract of Auditor's Report (Standalone) and Extract of Auditor's Report (Consolidated), as the case may be:

Provided that a copy of signed financial statements duly authenticated as per section 134 of the Act (including Board's report, auditors' report and other documents) in portable document format shall also be attached with XBRL Forms.

For details: [https://egazette.gov.in/\(S\(ezxiso1dbgld51ysmfdpofq\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(ezxiso1dbgld51ysmfdpofq))/ViewPDF.aspx)

Lesson 10: Compromise, Arrangement and Amalgamation -Concept

1. The Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2023

(MCA Notification No. G.S.R. 367(E) dated May 15, 2023)

The Ministry of Corporate Affairs (MCA) vide its notification dated May 15, 2023 has notified “the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2023” which shall come into force with effect from June 15, 2023. According to the amendment, rule 25(5) and (6) are substituted. The new sub-rules introduce provisions regarding objections, suggestions, and confirmation orders related to schemes of merger or amalgamation under section 233 of the Companies Act, 2013.

Brief Analysis:

As per the amendment, 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 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 in Form No. CAA-12.

However, if Central Government not issue the confirmation order within a period of 60 days of receipt of the scheme under section 233(2), then, it shall be deemed that it has no objection to the scheme and a confirmation order shall be issued accordingly.

Further, where objections and suggestions are received within a period of 30 days of receipt of order under section 233(2) from the RoC/Official Liquidator(OL) or both by Central Government(CG) and-

a) 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 within a period of 30 days after the expiry of 30 days as referred above, issue confirmation order in form No. CAA-12

b) the CG is of opinion that the scheme is not in public interest/creditors interest, then, it may within 60 days of receipt of scheme file an application before the Tribunal in Form No. CAA-13 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 and a conformation order shall be issued accordingly.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzE3MzkzNTgy&docCategory=Notifications&type=open>

2. Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Amendment Order, 2024 (July 15, 2024)

In exercise of the powers conferred by section 405 of the Companies Act, 2013 the Central Government issued Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order, 2024. As per the order the following amendments are made in the Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order, 2019:

1. In paragraph 3, the following proviso shall be inserted, namely:- "Provided that only those specified companies which are having payments pending to any micro or small enterprises for more than 45 days from the date of acceptance or the date of deemed acceptance of the goods or services under section 9 of the Micro, Small and Medium Enterprises Development Act, 2006 shall furnish the information in MSME Form1."

2. MSME Form-1 form shall be substituted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=LNC1bxj5jUf0Cxx6hVY6uQ%253D%253D&type=open>

3. Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2024. (September 09, 2024)

In exercise of the powers conferred by sub-sections (1) and (2) of section 469 read with sections 233 and 234 of the Companies Act, 2013, the Central Government has notified the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2024 which shall come into effect from 17th day of September, 2024.

In rule 25A, new sub rule (5) is being inserted, namely:

Where the transferor foreign company incorporated outside India being a holding company and the transferee Indian company being a wholly owned subsidiary company incorporated in India, enter into merger or amalgamation,–

- (i) both the companies shall obtain the prior approval of the Reserve Bank of India;
- (ii) the transferee Indian company shall comply with the provisions of section 233;
- (iii) the application shall be made by the transferee Indian company to the Central Government under section 233 of the Act and provisions of rule 25 shall apply to such application; and
- (iv) the declaration referred to in sub-rule

(4) shall be made at the stage of making application under section 233 of the Act." This amendment ensures compliance with regulatory authorities and the Companies Act, 2013 by providing clarification and procedural requirements for cross-border mergers involving foreign holding Companies and their Indian subsidiaries.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=qTyAFp6vBFvAlie1mgFTbg%253D%253D&type=open>

Lesson 11: Dormant Company

1. The Companies (Miscellaneous) Amendment Rules, 2023

(MCA Notification No. G.S.R. 46(E) dated January 20, 2023)

The Ministry of Corporate Affairs (MCA) vide its notifications dated January 20, 2023 has notified the Companies (Miscellaneous) Amendment Rules, 2023, the amended rules has come into force with effect from January 23, 2023. According to the amendment, Forms No. MSC-1, MSC-3 and MSC-4 has been substituted pursuant to migration of set of forms from MCA V2 to MCA V3 portal.

Further rule 3 (Application for Obtaining Status of Dormant Company) is modified by stating that, if the company is having any outstanding unsecured loans then enclosure of concurrence from the lender in the form MSC-1 is not required. Also that, the requirement to enclose certificate in Form MSC-1, indicating that there is no management or ownership dispute persisting is also dispensed with. The Form MSC-1 is modified to include these requirements under the heading "declaration" in the form itself.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjUwNjU2NTQ1&docCategory=Notifications&type=open>

~~Lesson 12: Inspection, Inquiry and Investigation~~

~~1. Companies (Adjudication of Penalties) Rules, 2014(August 05, 2024)~~

~~In exercise of the powers conferred by section 454 read with section 469 of the Companies Act, 2013, the Central Government notified Companies (Adjudication of Penalties) Amendment Rules, 2024 which shall come into force from the 16th day of September, 2024.~~

~~A new section 3A after Rule 3 is being inserted in Companies (Adjudication of Penalties) Rules, 2014 in order to enable e-adjudication platform developed by the Central Government which shall be read as under:~~

~~Adjudication Platform:~~

~~(1) On the commencement of the Companies (Adjudication of Penalties) Amendment Rules, 2024, all proceedings (including issue of notices, filing replies or documents, evidences, holding of hearing, attendance of witnesses, passing of orders and payment of penalty) of adjudicating officer and Regional Director under these rules shall take place in electronic mode only through the e-adjudication platform developed by the Central Government for this purpose.~~

~~(2) In case the e-mail address of any person to whom a notice or summons is required to be issued under these rules is not available, the adjudicating officer shall send the notice by post at the last intimated address or address available in the records and the officer shall preserve a copy of such notice in the electronic record in the e-adjudication platform referred to in sub-rule (1):~~

~~Provided that in case no address of the person concerned is available, the notice shall be placed on the e-adjudication platform."~~

~~2. For the Annexure to the said rules, the Annexure shall be substituted by Form No. ADJ (Memorandum of Appeal)~~

~~**For details:**~~

~~<https://www.mca.gov.in/bin/dms/getdocument?mds=ksyWu6kmYbS46oyUYmt6cw%253D%253D&type=open>~~

~~2. Launching Company ADJ form on V3 portal (September 07, 2024)~~

~~The Ministry of Corporate Affairs is launching Company ADJ form on 16th September 2024 at 12:00 AM. To facilitate implementation of this form in V3 MCA21 portal, stakeholders are advised to note the following points:~~

~~(1) ADJ form on V2 portal will be disabled from 12th September 2024 12:00 AM to 15th September 11:59 pm which is planned for roll out on 16th September 2024 at 12:00 AM.~~

~~(2) All stakeholders are advised to ensure that there are no SRNs in pending payment and Resubmission status.~~

~~(3) Offline payments in V2 using Pay later option would be stopped from 04th September 12:00 AM. You are requested to make payments for these forms in V2 through online mode (Credit/Debit Card and Net Banking).~~

~~(4) V3 portal will not be available for filing of Company/LLP forms on 15th September due to ADJ form roll out.~~

~~(5) V2 Portal for company filing will remain available for all the forms which are currently in V2 system. Stakeholders may plan accordingly.~~

~~For details:~~

~~<https://www.mca.gov.in/content/mca/global/en/home.html>~~

Lesson 13: General Meetings

1. Clarification on holding of Annual General Meeting (AGM) and EGM through Video Conference (VC) or Other Audio-Visual Means (OAVM) and passing of Ordinary and Special resolutions by the companies under the Companies Act, 2013 read with Rules made thereunder (September 19, 2024)

- In continuation to this Ministry's General Circular No. 20/2020 dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022, General Circular No. 10/2022 dated 28.12.2022 and General Circular No. 09/2023 dated 25.09.2023 after due examination, it has been decided to allow companies whose AGMs are due in the Year 2024 or 2025, to conduct their AGMs through VC or OAVM on or before 30th September, 2025 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.

- However, it is hereby clarified that General Circular shall not be construed as conferring any extension of statutory time for holding of AGMs by the companies under the Companies Act, 2013 (the Act) and the companies which have not adhered to the relevant statutory timelines shall be liable to legal action under the appropriate provisions of the Act.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=4C8ofg1qraQ0BIj5Bx1IJw%253D%253D&type=open>

Lesson 14: Directors

1. Case Law:

Anuj Mittal & Anr. (Petitioners) vs. Union of India & Anr. (Respondents), The High Court of Delhi W.P.(C) 281/2021 dated 15.01.2021

Directors who were disqualified before May 2018 can continue to hold office of director in companies other than defaulting company.

Facts of the Case:

In the instant case, the directors of a company were disqualified from 1st November 2017 to 31st October 2022 due to non-filing of financial statements or annual returns for any continuous period of three financial years which is a non-compliance under section 164(2)(a) of the Companies Act, 2013. Therefore, DINs and DSCs of the directors were deactivated.

Because of disqualification and de-activation of DINs, the petitioners were facing problems in other active companies. They were appointed as directors as they claim to be directors in other active companies and now wish to start business afresh.

The Court considered the judgment relating to activation of DIN/DSC numbers of directors of defaulting companies in *Anjali Bhargava v. UOI* [W.P. (C) No. 11264 of 2020, dated 6-1-2021] and taken reference from the Ministry of Corporate Affairs CFSS scheme and stated that the directors of struck off companies who seek to be appointed as directors of other/new companies, ought to be provided with an opportunity to avail of CFSS. The scheme seeks to provide a fresh start for directors of defaulting companies who seek appointments in other companies or wish to start new businesses.

Decision:

The Court observed that since the disqualification of petitioners was prior to 7th May, 2018, petitioners would be directors who had been disqualified before 7th May, 2018, qua other companies in addition to defaulting company and proviso section 167(1)(a) would not apply. Directors would continue to be directors in companies other than defaulting company and, therefore, DINs and DSCs of petitioners would be re-activated within ten days. If the Petitioners wish to seek restoration of the struck off company, they are permitted to seek their remedies in accordance with law before the NCLT.

For details:

<https://indiankanoon.org/doc/31556383/>

2. Case Law

Surendra Kumar Singhi (Petitioner) Vs. Registrar of Companies, West Bengal & Anr. (Opposite Party), Calcutta High Court CRR 1751 of 2020 dated 20.01.2023

Additional Directors equally responsible for company affairs as other Directors

Facts of the Case:

The petitioner's case is that the Opposite party has filed a complaint before the learned Chief Metropolitan Magistrate, Kolkata against the petitioner stating there in that, M/s

Mani Square Limited was incorporated under the Companies Act, 1956 and according to the provisions of Section 217(3) (Board's Report) of the Companies Act, 1956, the Board of the company was bound to give fullest information and explanation in its report on every reservation, qualification or adverse remark contained in Auditor's report.

Opposite party upon scrutiny of the Balance-sheet and other documents found that the Board of Directors did not furnish fullest information and explanation in their Director's report with respect to the Auditors in their report on Balance Sheet on the their remark of that "there are no dues of Service Tax, VAT, Provident Fund, ESIC which had been deposited on account of any dispute except disputed amount of WBST/VAT". This has resulted in violation of provisions of Section 217(3) of the Companies Act, 1956 and the said violation was pointed out to the Directors of the company vide Show Cause Notice. On account of receipt of not satisfactory reply, the competent authority has issued instruction to launch prosecution for the aforesaid violation.

Consequently, the petitioner being a director of a company was accused of violating the provisions of Section 217(3) of the Companies Act. The Metropolitan Magistrate issued summons against the petitioner and other accused persons. The petitioner stating himself to be innocent and having no connection with the circumstances of the case chose not to take the course adopted by the rest of the accused persons and prayed for discharge by filing a petition but the same got rejected.

Following were the two issues before the High Court:

1. What post was held by the petitioner on the date of filing the report?
2. Whether the petitioner is responsible/liable for the offence alleged?

The High Court with regard to the first issue noted, "*Form No. DIR – 11 clearly shows that on the date of resignation (30.12.2016) the petitioner was the "Director" of the Company..... In spite of being shown on the portal as "Additional Director /Director" the petitioner did not lodge any complaint with the Ministry about the alleged wrong information. There is no case that the petitioner had filed any objection to the said wrong information (as alleged) on the portal.*"

With regard to the second issue, the Court said that from the records it is seen that the petitioner was then an "Additional Director" of the Company and that admittedly the other accused persons pleaded guilty.

"ROC must be informed by filing a new Form DIR 12 that the additional director has been regularized as a director in the Company", the Court further said.

It was further observed by the Court that the petitioner was an Additional Director on the date the board report was filed and that to counter the same, the evidence is required to be adduced during the trial.

Decision:

The Court, therefore, held, "The responsibility of an Additional Director being the same as that of a director they remain responsible, as the statute provides for the same. Thus to quash the proceedings by exercising this Courts inherent powers would amount to an abuse of the process of Court and would also amount to serious miscarriage of justice." Accordingly, the Court dismissed the plea of the petitioner.

For details:

<https://indiankanoon.org/doc/87230779/>

3. Case Law

Pranab Kumar Roy (Petitioner) v. Securities and Exchange Board of India, High Court of Calcutta CRR No. 773 of 2021, 27.03.2023

Intimation of director's resignation by him to RoC is effective even if company failed to intimate RoC

As per Section 168 of the Companies Act, it is the duty of the company who shall inform the Registrar of Companies about the resignation of director. However, as per the provisions of the Companies Act the resigning director may also inform the RoC. In this matter, in the month of November 2013 in the General Meeting of the members, the petitioner resigned from the post of the Additional Director by serving his resignation letter to the Board of Directors i.e. after 4 months of his appointment. Despite receipt of the aforesaid letter, the name of the petitioner was not removed from the books of the Registrar of Companies, as the company failed to report the same to the Registrar of Companies. Meanwhile, the company violated the provisions of Companies Act and SEBI regulations while making public issue of securities (allotment of the NonConvertible Debentures).

It was decided by the Hon'ble Court that the director cannot be arraigned in a matter pertaining to year 2017 merely because his name continued to be reflected in RoC records as director in 2017 due to non-intimation of resignation by company. The criminal complaint for default in issuance of NonConvertible Debentures (NCDs) pertained to 2017 i.e. after director had resigned. Thus, proceedings against the petitioner are liable to be quashed.

For details:

<https://indiankanoon.org/doc/77218748/>

4. SEBI Circular - Appointment of Director nominated by the Debenture Trustee on boards of issuers (SEBI Notification No. SEBI/HO/DDHS/POD1/P/CIR/2023/112 dated July 04, 2023)

SEBI vide this circular provided clarity on the requirements for appointment of directors by entities that have listed their debt securities. Under SEBI norms pertaining to listing of non-convertible securities, an entity registered under the Companies Act, 2013 has to ensure that a person nominated by the debenture trustee is appointed as a director. While this obligation exists for issuers that are companies under the Companies Act, 2013). Citing issues raised by the debenture trustees and the role of a nominee director, SEBI said that issuers coming under certain categories can submit an undertaking to the debenture trustees instead of nominating a director.

For details:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/jul2023/1688473896905.pdf#page=1&zoom=page-width,-16,842

5.Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2024 (July 16, 2024)

In exercise of the powers conferred under second proviso to sub-section (1), sub-section (4), clause (f) of sub-section (6) of section 149, sub-sections (3) and (4) of section 150, section 151, subsection (5) of section 152, section 153, section 154, section 157, section 160, sub-section (1) of section 168 and section 170 read with section 469 of the Companies Act, 2013), the Central Government notified the Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2024.

According to the Amended Rules following amendments are made in In the Companies (Appointment and Qualification of Directors) Rules, 2014, in rule 12A:

1. In case an individual desires to update his personal mobile number or the e-mail address, as the case may be, he shall update the same by submitting e-form DIR-3 KYC only on or before 30th September of the financial year.

2. after the third proviso, the following proviso shall be inserted, namely:- “Provided also that if an individual intends to update his personal mobile number or the email address again at any time during the financial year in addition to the up-dation allowed under the third proviso, he shall update the same by submitting e-form DIR-3 KYC on payment of fees of five hundred rupees:”. 3. They shall come into force from the 01st day of August, 2024.

Brief Analysis:

As per the amendment the updating of directors’ personal details namely mobile number and email address should be done within the mentioned time frame i.e upto 30th September of the financial year. In case he is desirous of updating the above-mentioned details more than one time during the financial year he can so do by filing of e-form DIR-3 KYC on payment of fees amounting to Rs. 500/-.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=FBPSgUwyPTQpTzkMffyl3g%253D%253D&type=open>

Lesson 17: Corporate Social Responsibility-Concepts

1. The Companies (Accounts) Second Amendment Rules, 2023 (MCA Notification No. G.S.R. 408(E) dated May 31, 2023)

The Ministry of Corporate Affairs (MCA) vide its notification dated May 31, 2023 has notified "The Companies (Accounts) Second Amendment Rules, 2023" which has come into force with effect from date of publication in the Official Gazette. According to the amendment in rule 12 (1B) a new proviso has been inserted stating: For the financial year 2022-2023, Form CSR-2 shall be filed separately on or before 31st March, 2024 after filing the Form No. AOC-4 or Form No. AOC-4-NBFC (Ind AS) as specified in Companies (Accounts) Rules, 2014 or Form No. AOC-4-XBRL as specified in the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015, as the case may be.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzM5MDg2ODEz&docCategory=Notifications&type=open>

2. The Companies (Accounts) Second Amendment Rules, 2023 (MCA Notification No. G.S.R. 408(E) dated May 31, 2023)

The Ministry of Corporate Affairs (MCA) vide its notification dated May 31, 2023 has notified "The Companies (Accounts) Second Amendment Rules, 2023" which has come into force with effect from date of publication in the Official Gazette. According to the amendment in rule 12 (1B) a new proviso has been inserted stating: For the financial year 2022-2023, Form CSR-2 shall be filed separately on or before 31st March, 2024 after filing the Form No. AOC-4 or Form No. AOC-4-NBFC (Ind AS) as specified in Companies (Accounts) Rules, 2014 or Form No. AOC-4-XBRL as specified in the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015, as the case may be.

Brief Analysis:

The amendment quotes that for the financial year 2022-2023, a separate filing of Form CSR-2 is required, which is to be done on or before the March 31, 2024. This filing of Form CSR-2 should be done after submitting Form No. AOC4/Form No. AOC-4-NBFC (Ind AS)/Form No. AOC-4 XBRL, depending on the applicable case.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzM5MDg2ODEz&docCategory=Notifications&type=open>

3. The Companies (Accounts) Amendment Rules, 2025. (May 19, 2025)

The Central Government have notified the Companies (Accounts) Amendment Rules, 2025. As per the amendment in the Companies (Accounts) Rules, 2014, in rule 12, in sub-rule (1B), in the fourth proviso, for the words, figures and letters "on or before 31st March, 2025", the words, figures and letters "on or before 30th June, 2025" shall be substituted. Thus, the Proviso shall now be read as: "Provided also that for the financial year 2023-2024, Form CSR-2 shall be

filed separately on or before 30th June 2025 after filing Form No. AOC-4 or Form No. AOC-4-NBFC (Ind AS), as specified in these rules or Form No. AOC-4 XBRL as specified in the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015 as the case may be.

For details: <https://www.mca.gov.in/bin/dms/getdocument?mds=LDpXKzuAigAavlWsKxaZDw%253D%253D&type=open>

4. Separate Filing of e-form CSR-2 post the period of transition from MCA21 V2 to V3 (June 16, 2025)

This is to inform to all the stakeholders that in view of the transition of the MCA21 portal from Version 2 (V2) to Version 3 (V3) in respect of the Annual filing forms and other related e-forms and to facilitate a smooth roll out of these e-forms in MCA-21 version 3.0, the Ministry has scheduled a system migration due to which filing in V2 will be decommissioned with effect from 18.06.2025.

Whereas, vide notification G.S.R. 317(E) dated 19th May, 2025, an amendment in the 4th proviso to Rule 12(1B) of the Companies (Accounts) Rules, 2014 was done through the Companies (Accounts) Amendment Rules, 2025, effectively allowing for independent filing of eForm CSR-2. And whereas, vide notification G.S.R. 357(E) dated 30th May, 2025, V3 version of Annual filing and related e-Forms, including CSR-2 as an eForm linked to AOC-4, have been notified through the Companies (Accounts) 2nd Amendment Rules, 2025. Now keeping in view that the MCA V2 system will be decommissioned w.e.f. 18.06.2025, it has been decided by the competent authority that the stakeholders intending to file e-form CSR- 2 as an independent Form with V2 SRN of Form AOC-4/ AOC-4(XBRL)/ AOC-4 (NBFC), can file the same in V3 portal from 14th July 2025 to 15th August, 2025.

For Details: <https://www.mca.gov.in/bin/dms/getdocument?mds=KiZzdTSol2qB6ObQWyXg1A%253D%253D&type=open>

Lesson 18: Annual Report – Concepts

1. Companies (Registration of Foreign Companies) Amendment Rules, 2024 (August 12, 2024)

In exercise of the powers conferred by section 381, section 385, clause (a) of section 386, section 389 and section 390, read with section 469 of the Companies Act, 2013 the Central Government has notified Companies (Registration of Foreign Companies) Amendment Rules, 2024 which shall come into force with effect 09th day of September, 2024.

MCA has operationalized Central Processing Centre (CPC) for Centralised Processing of Corporate Filings that processes applications in time-bound and faceless manner on the lines of Central Registration Centre (CRC). In order to implement the same amendments are made in Companies (Registration of Foreign Companies) Rules, 2014.

As per the amendment, in rule 3, sub-rule (3) a foreign company within a period of thirty days of the establishment of its place of business in India shall now file with the Registrar, Central Registration Centre Form FC-1 with such fee as provided in Companies (Registration Offices and Fees) Rules, 2014.

Accordingly, changes are also made in in rule 8, in sub-rule (1), by inserting the following proviso:

“Provided that the documents for registration by a foreign company referred to in sub-rule (3) of rule (3) shall be delivered in Form FC-1 to the Registrar, Central Registration Centre.”

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=4iwngdxt9oFj%252Bpp05r1EZA%253D%253D&type=open>

Lesson 19: Key Managerial Personnel (KMP's) and their Remuneration

1. The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2023

(MCA Notification No. G.S.R.41(E) dated January 21, 2023)

The Ministry of Corporate Affairs (MCA) has notified the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2023 to further amend the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The provisions have come into effect from 23.01.2023. Through amendment Form MR-1 (Return of appointment of managerial personnel) and Form MR-2 (Form of application to the Central Government for approval of appointment of managing director or whole-time director or manager) has been substituted.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjQxMDE4ODI3&docCategory=Notifications&type=open>

2. Clarification on the position of Compliance Officer in terms of regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (April 1, 2025)

The proviso to regulation 6(1) of the SEBI (LODR) Regulations, 2015 inter-alia requires the Compliance Officer of a listed entity to be in whole-time employment of the listed entity, not more than one level below the board of directors, and designated as a Key Managerial Personnel. In this regard, SEBI has clarified the term 'level' used in regulation 6(1) refers to the position of the Compliance Officer in the organization structure of the listed entity. Therefore, 'one-level below the board of directors' means one-level below the Managing Director or Whole-time Director(s) who are part of the Board of Directors of the listed entity. In case a listed entity does not have a Managing Director or a Whole-Time Director, then the Compliance Officer cannot be more than one-level below the Chief Executive Officer or Manager or any other person heading the day-day affairs of the listed entity.

For details: https://www.sebi.gov.in/legal/circulars/apr-2025/clarification-onthe-position-of-compliance-officer-in-terms-of-regulation-6-of-thesebi-listing-obligations-and-disclosure-requirements-regulations2015_93186.html

Miscellaneous

1. The Companies (Incorporation) Amendment Rules 2023

The Ministry of Corporate Affairs (MCA) has notified the Companies (Incorporation) Amendment Rules, 2023 to further amend the Companies (Incorporation) Rules, 2014. The provisions have come into effect from 23.01.2023. According to the amendment Forms INC-3 (One Person Company – Nominee Consent Form), INC-14 (Declaration), INC-15 (Declaration) and RD-GNL-5 (filing addendum for rectification of defects or incompleteness) has been omitted. Further, Forms RUN, INC-4, INC-6, INC-9, INC-12, INC-13, INC-18, INC-20, INC-20A, INC-22, INC-23, INC-24, INC-27, INC-28, INC-3I, SPICE+ (INC-32), INC-33, INC-34, INC-35 (AGILE-PRO-S) and RD-1 are substituted.

Brief Analysis:

(i) The amendment in rule 4(2) provides that the name of the nominee of the owner of an OPC shall be mentioned in the memorandum of One Person Company ((OPC) and such nomination details along with the consent of such nominee shall be filled in Form No. INC-32 (SPICE+) as a declaration and the said Form along with the fee as provided in the Companies (Registration offices and fees) Rules, 2014 shall be filed with the Registrar at the time of incorporation of the company along with its e-memorandum and e-articles.

(ii) Rule 6(3)[Conversion of One Person Company into a Public company or a Private company] is amended to reduce the number of attachments which were required be enclosed in e-Form INC-6 by stating that, the company shall file an application in e-Form No. INC-6 for its conversion into Private or Public Company, other than under section 8 of the Act, along with fees as provided in the Companies (Registration Offices and Fees) Rules, 2014 with altered e-MOA and e-AOA i.e. Further rule 6(4) is modified stating, on being satisfied that the requirements have been complied with, the Registrar after examining the latest audited financial statement shall approve the form and issue certificate.

(iii) Rule 7 (Conversion of private company into One Person Company) sub-rule 4 is modified to include an additional enclosure in Form no. INC-6 i.e. Copy of NOC of every creditor with the application of conversion.

(iv) Rule 20 is modified to introduce additional matter of consideration by the Registrar in case of issuing License under section 8 for Existing Companies i.e. the Registrar shall along with considering the objections, if any received, also consider two years financial statements immediately preceding the date of application or when the company has functioned only for one financial year, for such year including Board's reports and audit reports, relating to the existing companies.

(v) Rule 33 (Alteration of Articles) is modified to state that, subject to the provisions of sub-rule (1), for effecting the conversion of a public company into a private company, Service Request Number (SRN) of Form No. RD-1, pertaining to order of the Regional Director approving the alteration, shall be mentioned in Form No. INC-27 to be filed with Registrar along with fee together with the altered e-Memorandum of Association and e-Article of Association within fifteen days from the date of receipt of the order from the Regional Director.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjQ2MzM0MjQ1&docCategory=Notifications&type=open>

2. The Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2023

The Ministry of Corporate Affairs (MCA) vide its notification dated April 17, 2023 has notified “the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2023” which shall come into force with effect from May 01, 2023.

Brief Analysis:

The amendments *inter alia* provide below mentioned changes:

1. An application for removal of name of company under section 248(2) shall be made to Registrar, Center for processing Accelerated Corporate Exit in Form No. STK-2 along with fee of Rupees 10,000. [Substituted rule 4(1)]
2. According to the amendment now the application in Form STK-2 shall not be accompanied by a copy of the special resolution duly certified by each of the directors of the company or consent of seventy five per cent of the members of the company in terms of paid up share capital as on the date of application.[Omitted clause iv of rule 4(3)]
3. The Registrar, Center for Processing Accelerated Corporate Exit established under section 396(1) shall be the Registrar of Companies for the purpose of exercising functional jurisdiction of processing and disposal of applications made in Form no. STK-2 and all matters related thereto under section 248 having territorial jurisdiction all over India. (Inserted sub-rule 3A to rule 4)
4. Further, Form No. STK-2 (Application by company to RoC for removing its name from register of companies), STK-6 (Public Notice) and STK-7 (Notice for striking off and dissolution) are substituted.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzE0MDE0NTQ0&docCategory=Notifications&type=open>

3. The Companies (Removal of Names of Companies from the Register of Companies) Second Amendment Rules, 2023

The Ministry of Corporate Affairs (MCA) vide its notification dated May 10, 2023 has notified “the Companies (Removal of Names of Companies from the Register of Companies) Second Amendment Rules, 2023” which shall come into force on the date of its publication in the Official Gazette. According to the amendment, under rule 4(1) [Application for removal of name of company] three provisos are inserted stating:

- a) 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;

- b) in case a company intends to file the application for removal of name after the action under section 248(1) has been initiated by the Registrar, it shall file all pending financial statements and all pending annual returns, before filing the application;
- c) Further, once the notice of strike off under section 248(5) has been issued by the Registrar for publication in Official Gazette pursuant to the action initiated under section 248(1), a company shall not be allowed to file the application under this sub-rule.

Brief Analysis:

Ministry of Corporate Affairs has notified the Companies (Removal of Names of Companies from the Register of Companies) Second Amendment Rules, 2023 dated May 10, 2023. Amendment introduces three provisos to Rule 4 of the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016. These three provisos impose requirements on companies seeking to file removal of its name applications, including the submission of overdue financial statements and annual returns before the filing the application, and limitations on filing the application for removal of name once the Registrar has initiated action or issued a notice under section 248(5).

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzE3MDAwMjI3&docCategory=Notifications&type=open>

4. Ministry of Corporates Affairs amended the Rules

The Ministry of Corporate Affairs (MCA) vide its notifications dated January 20, 2023 has notified below mentioned amended rules:

- i) The Companies (Registration Offices and Fees) Amendment Rules, 2023; and
- ii) The Nidhi (Amendment) Rules, 2023;

The amended rules shall come into force with effect from January 23, 2023.

According to the amendments, Form GNL-2, GNL-3, GNL-4, NDH-1, NDH-2, NDH-3 and NDH-4 has been substituted pursuant to migration of set of forms from MCA V2 to MCA V3 portal.

Further, through notifying the Companies (Registration Offices and Fees) Amendment Rules, 2023, rule 8A has been inserted stating; e-forms wherever applicable shall be signed by Insolvency resolution professional or resolution professional or liquidator of companies under insolvency or liquidation, as the case may be, and filed with the Registrar along with the fee as mentioned in Table annexed these rules.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=zFrQ4gUbxyNedgbfFLKcdw%253D%253D&type=open>

<https://egazette.gov.in/WriteReadData/2023/242165.pdf>

**5. Extension of Time for filing of 45 company e-Forms and PAS-03 in MCA 21 Version 3.0 without additional fee
(MCA Circular No. 04/2023 dated February 21, 2023)**

The Ministry of Corporate Affairs (MCA) vide issuing general circular no. 03/2023 dated February 07, 2023 has notified that due to change in way of filing in Version-3, including fresh process of registration of users on MCA-21 and process of stabilization of 45 forms launched with effect from 23.01.2023, and after considering various representations, in continuation of General Circular 1/2023 dated 09.01.2023, it has been decided to allow further additional time of 15 days for filing of these forms, without additional fees, to the stakeholders. Further, Form PAS-03 which was closed for filing in Version-2 on 20.01.2023 and launched in Version-3 on 23.01.2023, and whose due dates for filing fall between 20.01.2023 and 06.02.2023, can also be filed without payment of additional fees for a period of 15 days.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=2wjQ2Yt5XCZLAoGRr2jfOQ%253D%253D&type=open>

**6. Extension of Time for filing of 45 company e-Forms, PAS-03 and SPICE+ Part A in MCA 21 Version 3.0 without additional fee
(MCA Circular no. 04/2023 dated February 21, 2023)**

The Ministry of Corporate Affairs (MCA) vide issuing general circular no. 04/2023 dated February 21, 2023 has notified that due to change in way of filing in Version-3, including fresh process of registration of users on MCA-21 and process of stabilization of 45 forms launched with effect from 23.01.2023, and after considering various representations, in continuation of General Circulars No. 1/2023 dated 09.01.2023 and 03/2023 dated 07.02.2023, it has been decided to allow further additional time till 31.03.2023 for filing of these forms which are due for filing between 07.02.2023 and 28.02.2023, without additional fees, to the stakeholders.

Further, Form PAS-03 which was closed for filing in Version-2 on 20.01.2023 and launched in Version-3 on 23.01.2023, and whose due dates for filing fall between 20.01.2023 and 28.02.2023, can also be filed without payment of additional fees till 31.03.2023.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=2wjQ2Yt5XCZLAoGRr2jfOQ%253D%253D&type=open>

7. SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 on June 14, 2023. Vide this notification the following amendments have been made in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. The new definition Mainstream media is added [Regulation 2(1)(ra)]: Mainstream media shall include print or electronic mode of the following:
Newspapers registered with the Registrar of Newspapers for India;
News channels permitted by Ministry of Information and Broadcasting under Government of India;
Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India.
2. Vacancy to be filled in the office of the Compliance Officer: Any vacancy in the office of the Compliance Officer shall be filled by the listed entity at the earliest and in any case not later than 3 months from the date of such vacancy. However, the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person. [Insertion: Regulation 6(1A)]
3. The following Regulation 17(1D) is added: Shareholder approval required for Appointment or Reappointment
 - With effect from April 1, 2024, the continuation of a director serving on the board of directors of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be. However, the continuation of the director serving on the board of directors of a listed entity as on March 31, 2024, without the approval of the shareholders for the last five years or more shall be subject to the approval of shareholders in the first general meeting to be held after March 31, 2024. The requirement specified in this regulation shall not be applicable to the Whole-Time Director, Managing Director, Manager, Independent Director or a Director retiring as per the sub-section (6) of section 152 of the Companies Act, 2013, if the approval of the shareholders for the reappointment or continuation of the aforesaid directors or Manager is otherwise provided for by the provisions of these regulations or the Companies Act, 2013 and has been complied with.
4. The following Regulation 17(1E) is added: Vacancy to be filled in the office of a director: Any vacancy in the office of a director shall be filled by the listed entity at the earliest and in any case not later than 3 months from the date such vacancy. However, if the listed entity becomes non-compliant, due to expiration of the term of office of any director, the resulting vacancy shall be filled by the listed entity not later than the date such office is vacated.
5. The following Regulation 26A is added: Vacancies to be filled in respect of certain Key Managerial Personnel
 - Any vacancy in the office of Chief Executive Officer, Managing Director, Whole Time Director or Manager shall be filled by the listed entity at the earliest and in any case not later than 3 months from the date of such vacancy.
 - Any vacancy in the office of the Chief Financial Officer shall be filled by the listed entity at the earliest and in any case not later than 3 months from the date of such vacancy.
 - The listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.

6. Disclosure of Cybersecurity Breaches: Details of cyber security incidents or breaches or loss of data or documents shall be disclosed along with quarterly compliance report on corporate governance. [Insertion: Regulation 27(2)(ba)]

7. Disclosure of events or information:

- The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - o 2% of turnover, as per the last audited consolidated financial statements of the listed entity;
 - o 2% of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
 - o 5% percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity. [Regulation 30(4)(i)(c)]
- In case where the criteria specified is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material. [Insertion: Regulation 30(4)(i)(d)]
- The listed entity shall first disclose to the stock exchange all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:
 - o 30 minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
 - o 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
 - o 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity. However, disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines. Provided further that in case the disclosure is made after the timelines specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay. [Regulation 30(6)]
- The top 100 listed entities (with effect from October 1, 2023) and thereafter the top 250 listed entities (with effect from April 1, 2024) shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of this regulation are circulating amongst the investing public, as soon as reasonably possible and not later than 24 hours from the reporting of the event or information. However, if the listed entity confirms the reported event or information, it shall also provide the current stage of such event or information. [Insertion: Provisos to Regulation 30(11)]
- In case an event or information is required to be disclosed by the listed entity in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the listed entity shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority. [Insertion: Regulation 30(13)].

8. Disclosure requirements for certain types of agreements 10 binding listed entities: All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of a listed entity or of its holding, subsidiary and associate company, who are parties to the agreements specified in clause 5A of para A of part A of schedule III to these regulations, shall inform the listed entity about the agreement to which such a listed entity is not a party, within 2 working days of entering

into such agreements or signing an agreement to enter into such agreements. [Insertion: Regulation 30A]

9. Special rights to shareholders: Any special right granted to the shareholders of a listed entity shall be subject to the approval by the shareholders in a general meeting by way of a special resolution once in every five years starting from the date of grant of such special right. [Insertion: Regulation 31B]

10. Submission of Financial Results for newly listed entity: The listed entity shall, subsequent to the listing, submit its financial results for the quarter or the financial year immediately succeeding the period for which the financial statements have been disclosed in the offer document for the initial public offer, in accordance with the timeline specified in regulation 33(3)(a) i.e. 45 days from end of each quarter or in regulation 33(3)(d) i.e. 60 days from the end of the financial year or within 21 days from the date of its listing, whichever is later. [Insertion: Regulation 33(3)(j)]

11. Annual Report Disclosures: For the top 1000 thousand listed 11 entities, the annual report shall contain a Business Responsibility and Sustainability Report (BRSR) on the environmental, social and governance disclosures, in the format as may be specified by SEBI. The assurance of the BRSR Core shall be obtained, with effect from and in the manner as may be specified by SEBI. The listed entities shall also make disclosures and obtain assurance as per the BRSR Core for their value chain, with effect from and in the manner as may be specified by SEBI. The remaining listed entities, including the entities which have listed their specified securities on the SME Exchange, may voluntarily disclose the BRSR or may voluntarily obtain the assurance of the Business Responsibility and Sustainability Report Core, for themselves or for their value chain, as the case may be. [Regulation 34(2)(f)]

8. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

SEBI has issued this circular consists of four annexures with respect to disclosure requirements under regulations 30 and 30A of the SEBI (LODR) Regulations, 2015 which are given below:

- i. Annexure I specifies the details that need to be provided while disclosing events given in Part A of Schedule III.
- ii. Annexure II specifies the timeline for disclosing events given in Part A of Schedule III.
- iii. Annexure III provides guidance on when an event / information can be said to have occurred.
- iv. Annexure IV provides guidance on the criteria for determination of materiality of events / information. This circular shall come into force from July 15, 2023.

For details:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/jul-2023/1689245602256.pdf#page=1&zoom=page-width,-16,842

9. SEBI (Facilitation of Grievance Redressal Mechanism) (Amendment) Regulations, 2023

SEBI on 16th August has issued the SEBI (Facilitation of Grievance Redressal Mechanism) (Amendment) Regulations, 2023. The amendment provides that the following entities shall redress investor grievances promptly but not later than 21 calendar days from the date of receipt of the grievance:

- Merchant Banker
- Registrar to an issue and share transfer agent
- Debenture trustee
- Banker to an issue
- Asset management company
- Collective Investment Management Company
- Know Your Client Registration Agency
- Investment Adviser
- Research Analyst
- Real Estate Investment Trust
- Infrastructure investment trust
- Intermediary
- Portfolio manager
- Vault manager

The SEBI may also recognize a body corporate for handling and monitoring the process of grievance redressal by the entities operating in the securities market.

For details:

https://www.sebi.gov.in/legal/regulations/aug-2023/securities-and-exchange-board-of-india-facilitation-of-grievance-redressal-mechanism-amendment-regulations-2023_75419.html

10. Condonation of delay in filing of Form-3, Form-4 and be Form-11 under section 67 of Limited Liability Partnership Act, 2008 read with section 460 of the Companies Act, 2013

The Ministry of Corporate Affairs (MCA) has issued general circular no. 8/2023 dated August 23, 2023 and granted onetime relaxation in additional fees to those LLPs who could not file the Form 3, Form 4 and Form 11 within due date and provided an opportunity to update their filings and details in Master-data for future compliances.

Salient features are mentioned as below:

- 1) Form 3 and Form 4 will be processed under STP mode, except for cases involving changes in business activities. Further, stakeholders are advised to file these forms sequentially.
- 2) These forms will provide facility to edit the pre-filled master data which is available as the existing master database of the LLP. However, the onus of filing the correct data would be on the stakeholders.
- 3) The filing of Form 3 and Form 4 without additional fees shall be applicable for the event dates 01.01.2021 onwards. For the events prior to the aforesaid period, these forms can

be filed with two times and four times of normal fees as additional fee for small LLPs and other than small LLPs respectively.

4) The filing of Form 11 without additional fee shall be applicable for the financial year 2021-22 onwards.

5) These forms shall be available for filing from 01.09.2023 onwards till 30.11.2023.

6) The LLPs availing the scheme shall not be liable for any action for the delayed filing of aforesaid forms.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=Zt6foWsl%252BABAbU7Pid9NGg%253D%253D&type=open>

11. Name reservation application process

MCA vide its update dated September 29, 2023 informed the stakeholders that the processing of application forms for the purpose of name reservation and incorporation at the Central Reservation Centre (CRC) is faceless and randomised. The applications if sent for resubmissions are normally not processed by the same official who has processed the application at the first instance. The stakeholders requested to inform the Ministry in case of any malpractice or irregularity on the part of any official/officer at CRC or any professional with supporting evidences at CVO-MCA@GOV.IN for taking action in accordance with the extent CVC guidelines.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=oU9sC5%252BIH5Z5uPkEDZC3QA%253D%253D&type=open>

12. The Companies (Incorporation) Third Amendment Rules, 2023

The Ministry of Corporate Affairs (MCA) vide its notification dated October 20, 2023 has notified “The Companies (Incorporation) Third Amendment Rules, 2023” which has come into force with effect from October 21, 2023. According to the amendment, under rule 30(9) (Shifting of Registered Office from one State or Union Territory to another State), a proviso is inserted stating:

“Provided further that where the management of the company has been taken over by new management under a resolution plan approved under section 31 of the Insolvency Bankruptcy Code, 2016 and no appeal against the resolution plan is pending in any Court or Tribunal and no inquiry, inspection, investigation is pending or initiated after the approval of the said resolution plan, the shifting of the registered office may be allowed.”

Brief Analysis:

According to the latest amendments in rule 30(9) of the Companies (Incorporation) Rules, 2014, the Ministry has come up with following two modifications:

1. The words under rule 30(9) “and may include such order as to costs as it thinks proper” shall be omitted;
2. Further the amendment inserted a new proviso to rule 30(9):

“Provided further that where the management of the company has been taken over by new management under a resolution plan approved under section 31 of the Insolvency Bankruptcy Code, 2016 and no appeal against the resolution plan is pending in any Court or Tribunal and no inquiry, inspection, investigation is pending or initiated after the approval of the said resolution plan, the shifting of the registered office may be allowed.”

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=uqnggXxHARXXjysr4uSRjQ%253D%253D&type=open>

13. Ministry of Corporate Affairs-Update (October 23, 2023)

The stakeholders are informed that Ministry of Corporate Affairs has integrated with National Single Window System (NSWS) for the Incorporation of Companies and LLPs. Incorporation services can also be availed through NSWS portal.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=cr9F9%252F8lGDiypPxTWd6oQw%253D%253D&type=open>

14. The Limited Liability Partnership (Third Amendment) Rules, 2023

The Ministry of Corporate Affairs (MCA) vide its notification dated October 27, 2023 has notified “the Limited Liability Partnership (Third Amendment) Rules, 2023” which has come into force on the date of its publication in the Official Gazette. According to the amendment Rule 22A and Rule 22B are inserted by stating matters pertaining to:

- ☐ Every limited liability partnership shall, from the date of its incorporation, maintain a register of its partners in Form 4A which shall be kept at the registered office of the limited liability partnership;
- ☐ Declaration in respect of beneficial interest in any contribution.

Brief Analysis:

According to the Limited Liability Partnership (Third Amendment) Rules, 2023:

i) Rule 22A-Register of Partners: Every limited liability partnership (LLP) shall, from the date of its incorporation, maintain a register of its partners in Form 4A which shall be kept at the registered office of the limited liability partnership. Existing LLPs shall comply within thirty days from the commencement of aforesaid amendment Rules. The register shall consist certain particulars of partners viz. name/address/PAN/date of becoming partner/cessation etc. The entries in the register maintained under this rule shall be made within seven days pursuant to any change made in the contribution amount, or in name and details of the partners in the Limited Liability Partnership agreement, or in cases of cessation of partnership interest. Rectifications made pursuant to orders by competent authorities must be recorded.

ii) Rule 22B- Declaration in respect of beneficial interest in any contribution: A person whose name is entered in the register of partners of a Limited Liability Partnership but does not hold any beneficial interest fully or partly in contribution (hereinafter referred to as “the registered partner”), such person shall file with the Limited Liability Partnership, a declaration to that effect in Form 4B within a period of thirty days from the date on which his name is entered in the register of partners specifying the name and other particulars of the person who actually holds any beneficial interest in such contributions. Changes in beneficial interest should also be reported within 30 days. Beneficial partners who have an interest in contributions not registered in their name must file a declaration in Form 4C within 30 days. Changes in beneficial interest should also be reported within 30 days. In case of receipt of any declaration under Form 4B or Form 4C by the Limited Liability Partnership, it shall record such declaration in the register of partners and shall file, within a period of 30 days from the date of receipt of declaration by it, a return in Form 4D to the Registrar in respect of such declaration with fees. Every Limited Liability Partnership shall specify a designated partner who shall be responsible for furnishing of and extending co-operation for providing, information with respect to beneficial interest in contribution in Limited Liability Partnership to the Registrar or any other officer authorised by the Central Government and shall file information of such designated partner with the Registrar in Form 4. Further, until a designated partner is specified, every designated partner shall be deemed to be responsible for furnishing of, and extending co-operation for providing, information with respect to beneficial interest in contribution under this sub-rule.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=VYVpE7YcJovnhBqcW9gtsw%253D%253D&type=open>

15. Commencement of section 5 of the Companies Amendment Act 2020

In exercise of the powers conferred by sub-section (2) of section 1 of the Companies (Amendment) Act, 2020, the Central Government hereby appoints the 30th day of October, 2023 as the date on which the provisions of section 5 of the said Act shall come into force.

Section 5 of the Companies Amendment Act, 2020 states that in section 23 of the principal Act, after subsection

(2) and before the Explanation, the following sub-sections shall be inserted, namely:—

"(3) Such class of public companies may issue such class of securities for the purposes of listing on permitted stock exchanges in permissible foreign jurisdictions or such other jurisdictions, as may be prescribed.

(4) The Central Government may, by notification, exempt any class or classes of public companies referred to in sub-section (3) from any of the provisions of this Chapter, Chapter IV, section 89, section 90 or section 127 and a copy of every such notification shall, as soon as may be after it is issued, be laid before both Houses of Parliament."

Brief Analysis:

Overseas listings by listed entities are currently carried out through American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs). According to the notification now the government has allowed Indian companies to list on overseas exchanges, subject to certain conditions. Certain classes of public companies to list their securities on permitted stock exchanges in permissible foreign jurisdictions or such other jurisdictions, as may be prescribed.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=fIA9%252BFLpJeScxnEXI0xncQ%253D%253D&type=open>

16. The Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023

The Ministry of Corporate Affairs (MCA) vide its notification dated November 07, 2023 has notified “the Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023” which has come into force on the date of its publication in the Official Gazette. The provisions of these rules shall specifically apply to all the LLPs. The aforesaid rules, conferred under section 79 of the Limited Liability Partnership Act, 2008, directs to regulate and identify significant beneficial owners in Limited Liability Partnerships and such individual to make a declaration in Form No. LLP BEN-I.

Brief Analysis:

Following are the certain major rules mentioned:

1. The provisions of these rules shall specifically apply to all the LLPs.(Rule 2)
2. Aforesaid rules mentioned various definitions viz, control; majority stake; significant beneficial owner; significant influence; ultimate holding company etc.(Rule 3)
3. Duty of the reporting limited liability partnership to take necessary actions in identifying the significant beneficial owner and causing such individual to file Form No. LLP BEN-1.(Rule 4)
4. Upon receipt of declaration as mentioned above sub point, the reporting limited liability partnership shall file a return in Form No. LLP BEN-2 with the Registrar.(Rule 6)
5. The limited liability partnership shall maintain a register of significant beneficial owners in Form No. LLP BEN-3 and keep it open for inspection during the business hours for such reasonable time as mentioned in the rules.(Rule 7)
6. Rules specified Form No. LLP BEN-4 for notice seeking information about significant beneficial owners. (Rule 8)
7. Provisions related to the filing of application to the Tribunal under certain circumstances. (Rule 9)
8. Provisions related to non-applicability of aforesaid rules to the certain entities.(Rule 10)

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=pJZaasqhXL5W9F46Ukp5lw%253D%253D&type=open>

17. The Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023 (November 09, 2023)

The Ministry of Corporate Affairs (MCA) vide its notification dated November 07, 2023 has notified “the Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023” which has come into force on the date of its publication in the Official Gazette. The provisions of these rules shall specifically apply to all the LLPs. The aforesaid rules, conferred under section 79 of the Limited Liability Partnership Act, 2008, directs to regulate and identify significant beneficial owners in Limited Liability Partnerships and such individual to make a declaration in Form No. LLP BEN-I.

1. The provisions of these rules shall specifically apply to all the LLPs. (Rule 2)
2. Aforesaid rules mentioned various definitions viz, control; majority stake; significant beneficial owner; significant influence; ultimate holding company etc. (Rule 3)
3. Duty of the reporting limited liability partnership to take necessary actions in identifying the significant beneficial owner and causing such individual to file Form No. LLP BEN-1. (Rule 4)

Brief Analysis:

Following are the certain major rules mentioned:

Upon receipt of declaration as mentioned above sub point, the reporting limited liability partnership shall file a return in Form No. LLP BEN-2 with the Registrar. (Rule 6)

5. The limited liability partnership shall maintain a register of significant beneficial owners in Form No. LLP BEN-3 and keep it open for inspection during the business hours for such reasonable time as mentioned in the rules. (Rule 7)

6. Rules specified Form No. LLP BEN-4 for notice seeking information about significant beneficial owners. (Rule 8)

7. Provisions related to the filing of application to the Tribunal under certain circumstances. (Rule 9)

8. Provisions related to non-applicability of aforesaid rules to the certain entities. (Rule 10)

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=pJZaasqhXL5W9F46Ukp5lw%253D%253D&type=open>

18. SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 (Notification No. SEBI/LADNRO/GN/2024/177 dated May 17, 2024)

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette except the amendments in Regulations 3, 17, 21(5), 25, 30 [omission of the Explanation under sub-regulation (11)], 34, 43A and 44 which shall come into force with effect from December 31, 2024.

- SEBI vide this notification made amendments in Regulation 3(2) specifying the applicability of the provisions of SEBI LODR regulations to a listed entity on the basis of market

capitalisation. It is, inter alia, provided that- (a) every recognized stock exchange shall, at the end of the calendar year i.e., 31st December, prepare a list of entities that have listed their specified securities ranking such entities on the basis of their average market capitalisation from 1st July to 31st December of that calendar year. (b) The relevant provisions shall then become applicable to a listed entity that is required to comply with such requirements for the first time (or, if applicable, required to comply after any interim period) after a period of three months from December 31 (i.e. April 1) or from the beginning of the immediate next financial year, whichever is later.

Provided that the listed entity, which is required to comply for the first time or after a period of cessation, shall put in place systems and processes for compliance with clause (f) of sub-regulation (2) of regulation 34 within a period of three months from December 31 (i.e. on or before April 1) or from the beginning of the immediate next financial year, whichever is later, and further disclose the Business Responsibility and Sustainability Report and/or assurance as per the Business Responsibility and Sustainability Report Core in the Annual Report prepared for the financial year in which systems and processes were required to be put in place in accordance with this proviso.

(c) The listed entity shall continue to comply with relevant provisions that were applicable to it based on the market capitalisation of previous year and continue(s) to remain applicable on the basis of its rank in the list prepared by recognized stock exchanges as per clause (a) of this sub-regulation.

- In Regulation 3, the Regulations (2A) and (2B) have been added:

(2A) The provisions of these regulations, which become applicable to a listed entity on the basis of criteria of market capitalisation, shall continue to apply to such an entity unless its ranking changes in the list prepared in accordance with subregulation (2) of this regulation and such change results in the listed entity remaining outside the applicable threshold for a period of three consecutive years. (2B) For such listed entities which remain outside the applicable threshold for a period of three consecutive years in terms of subregulation (2A) of this regulation, the provisions that apply on the basis of criteria of market capitalisation shall cease to apply at the end of the financial year following the 31st December of the third consecutive year: Provided that for those listed entities that follow January to December as its financial year, the provisions shall cease to apply at the end of three months from 31st December of the third consecutive year (i.e. on 31st March).

- In accordance with second proviso of Regulation 15(1A), the Corporate Governance provisions shall be applicable to a 'high value debt listed entity' on a 'comply or explain' basis until March 31, 2024 earlier. Now, the said timelines have been extended to March 31, 2025.
- In proviso to Regulation 17(1)(a), the following is omitted: 1. the words, numerals and symbols "top 500 listed entities shall have at least one independent woman director by April 1, 2019 and the Board of directors of the" 2. the words, numerals and symbols "by April 1, 2020" 3. the Explanation
- In Regulation 17(1)(c), the following is omitted: 1. the words, numerals and symbols "top 1000 listed entities (with effect from April 1, 2019) and the" 2. the words, numerals and symbols "(with effect from April 1, 2020)"

4. the Explanation

- In sub-regulation 17(2A), the following is omitted: 1. the words, numerals and symbols “top 1000 listed entities with effect from April 1, 2019 and of the” 2. the words, numerals and symbols “with effect from April 1, 2020”
- Regulation 21(3C) is amended and the amended provision provides that, the meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than two hundred and ten shall elapse between any two consecutive meetings.
- In Regulation 21(5), the words and symbols “determined on the basis of market capitalization as at the end of the immediate preceding financial year” have been omitted.
- In regulation 25(10), the words, symbols and numerals “calculated as on March 31 of the preceding financial year,” have been omitted.
- Where the listed entity is required to obtain approval of regulatory, government or statutory authorities to fill up such vacancies, then the vacancies shall be filled up by the listed entity at the earliest and in any case not later than six months from the date of vacancy. [Insertion of Proviso in Regulation 26A(1) and 26A(2)]
- The amendments have been made in Regulation 29 pertaining to Prior Intimations. The amended provision provides that:

Prior Intimations [Regulation 29]

(1) The listed entity shall give prior intimation of at least two working days in advance, excluding the date of the intimation and date of the meeting, to stock exchange about the meeting of the board of directors in which any of the following proposals is due to be considered:

- a. financial results viz. quarterly, half yearly, or annual, as the case may be;
- b. proposal for buyback of securities;
- c. proposal for voluntary delisting by the listed entity from the stock exchange(s);
- d. fund raising by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through] further public offer, rights issue, American Depository Receipts/ Global Depository Receipts/ Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method and for determination of issue price:

Provided that intimation shall also be given in case of any annual general meeting or extraordinary general meeting or postal ballot that is proposed to be held for obtaining shareholder approval for further fund raising indicating type of issuance.

Provided further that intimation for determination of issue price in a qualified institutions placement is not required if such placement is done in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(e) declaration/ recommendation of dividend, issue of convertible securities including convertible debentures or of debentures carrying a right to subscribe to equity shares or the passing over of dividend;

(f) the proposal for declaration of bonus securities;

(g) any alteration in the form or nature of any of its securities that are listed on the stock exchange or in the rights or privileges of the holders thereof;

(h) any alteration in the date on which, the interest on debentures or bonds, or the redemption amount of redeemable shares or of debentures or bonds, shall be payable.

The intimation required under subregulation (1) shall mention the date of such meeting of board of directors.

- In regulation 34(2)(f), in Explanation-1, clause (i) stated that market capitalization shall be calculated as on the 31st day of March of every financial year, has been omitted.
- In regulation 43A(1), the words, symbols and numerals “(calculated as on March 31 of every financial year)” have been omitted.
- In regulation 44(5), the words, symbols and numerals “determined as on March 31st of every financial year,” have been omitted. In regulation 44(6), the Explanation has been omitted.

Amendments in Secretarial Standard – 1 & Secretarial Standard – 2

Secretarial Standard – 1

S. no.	Para No.	Pre-revised Text of SS- 1	Post-revised Text of SS-1	Rationale
1	Scope (Paragraph 1 & 2)	This Standard is applicable to the Meetings of Board of Directors of all companies incorporated under the Act except One Person Company (OPC) in which there is only one Director on its Board and a company licensed under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof. However, Section 8 companies need to comply with the applicable provisions of the Act	This Standard is applicable to the Meetings of Board of Directors of all companies incorporated under the Act except One Person Company (OPC) in which there is only one Director on its Board and a company registered under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof.	Amendment in law To reflect the effect of MCA's Exemption Notification dated 13th June, 2017 in respect of Section 8 Company and Private Company. Now, the exemption is compliance based. The exemptions stated under notification

		relating to Board Meetings.	However, companies registered under Section 8 of the Companies Act, 2013 need to comply with the applicable provisions of the Act relating to Board Meetings. The exemption to a company registered under Section 8 of the Companies Act, 2013 as referred above and the specific exemptions given to a private company in this Standard shall be available only if it has not committed any default in filing its Financial Statements or Annual Return with the Registrar of Companies.	dated 5th June, 2015 and 13th June, 2017 shall be available only to those companies which have not committed a default in filing its financial statements and annual return with the Registrar.
2.	1.2.3	Any Director may participate through Electronic Mode in a Meeting unless the Act or any other law specifically prohibits such participation through Electronic Mode in respect of any item of business. Directors shall not participate through Electronic Mode in the discussion on certain restricted items. Such restricted items of business include approval of the annual financial statement, Board's report, prospectus and matters	Any Director may participate through Electronic Mode in a Meeting unless the Act or any other law specifically prohibits such participation through Electronic Mode in respect of any item of business. Directors shall not participate through Electronic Mode in the discussion on restricted items unless there is a Quorum in a Meeting through physical presence of Directors. Such restricted items	Section 173 (2) - 2nd proviso inserted as under: "Provided further that where there is quorum in a meeting through physical presence of directors, any other director may participate through video conferencing or other audio visual means in such meeting on any matter specified

		relating to amalgamation, merger, demerger, acquisition and takeover. Similarly, participation in the discussion through Electronic Mode shall not be allowed in Meetings of the Audit Committee for consideration of annual financial statement including consolidated financial statement, if any, to be approved by the Board.	of business include approval of the annual financial statement, Board's report, prospectus and matters relating to amalgamation, merger, demerger, acquisition and takeover. Similarly, participation in the discussion through Electronic Mode shall not be allowed in Meetings of the Audit Committee for consideration of annual financial statement including consolidated financial statement, if any, to be approved by the Board.	under the first proviso." In the Companies (Meetings of Board and its Powers) Rules, 2014, in rule 4, the following proviso is inserted:- "Provided that where there is quorum in a meeting through physical presence of directors, any other director may participate through video conferencing or other audio visual means."
3	1.3.4 After 3rd Paragraph	The Director may intimate his intention of participation through Electronic Mode at the beginning of the Calendar Year also, which shall be valid for such Calendar Year.	The Director may intimate his intention of Such intimation shall not debar him from participation in the Meeting in person provided he gives such intimation sufficiently in advance to the company.	Amendment in law Amendment in Companies (Meetings of Board and its Powers) Rules, (Notification dated 13th July, 2017) Rule 3(3)(e): (e) Any director who intends to participate in the meeting through electronic mode may intimate about such participation at

				the beginning of the calendar year and such declaration shall be valid for one year. Provided that such declaration shall not debar him from participation in the meeting in person in which case he shall intimate the company sufficiently in advance of his intention to participate in person.
4	1.3.7 (8th Paragraph)	“Unpublished Price Sensitive Information” means any information, relating to a company or its securities, directly or indirectly, that is not generally available, which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: – (i) financial results; (ii) dividends; (iii) change in capital structure; (iv) mergers, de-mergers, acquisitions, delistings, disposals	“Unpublished Price Sensitive Information” means any information, relating to a company or its securities, directly or indirectly, that is not generally available, which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: – (i) financial results; (ii) dividends; (iii) change in capital structure; (iv) mergers, de-	Amendment in law SEBI vide Notification dated 31.12.18 amended the definition of “Unpublished Price Sensitive Information”, effective from 01.04.19. The definition of UPSI referred in SS1 is revised accordingly.

		and expansion of business and such other transactions; (v) changes in key managerial personnel; and (vi) material events in accordance with the listing agreement*.	mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and (v) changes in key managerial personnel; and (vi) material events in accordance with the listing agreement*.	
5	2.1 (2nd Paragraph)	The company shall hold first Meeting of its Board within thirty days of the date of incorporation. It shall be sufficient if subsequent Meetings are held with a maximum interval of one hundred and twenty days between any two consecutive Meetings. Further, it shall be sufficient if a One Person Company, Small Company or Dormant Company holds one Meeting of the Board in each half of a Calendar Year and the gap between the two Meetings of the Board is not less than ninety days.	The company shall hold first Meeting of its Board within thirty days of the date of incorporation. It shall be sufficient if subsequent Meetings are held with a maximum interval of one hundred and twenty days between any two consecutive Meetings. Further, it shall be sufficient if a One Person Company, Small Company, Dormant Company or private company which is recognised as start-up holds one Meeting of the Board in each half of a Calendar Year and the gap between the two Meetings of the Board is not less than ninety days. An adjourned Meeting being a continuation of the original Meeting,	Amendment in law MCA Exemption Notifications dated 13th June, 2017 (Exemption to Private Company) For sub-section 173(5), the following sub-section shall be substituted:- (5) A One Person Company, small company, dormant company and a private company (if such private company is a start-up) shall be deemed to have complied with the provisions of

			the interval period in such a case, shall be counted from the date of the original Meeting. For the purposes of this Standard, the term “start- up” means a private company incorporated under the Act and recognised as start-up in accordance with the notification issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.	this section if at least one meeting of the Board of Directors has been conducted in each half of a calendar year and the gap between the two meetings is not less than ninety days: Provided that nothing contained in this sub-section and in section 174 shall apply to One Person Company in which there is only one director on its Board of Directors. Explanation to Section 2(40) of the Act: For the purposes of this Act, the term “start-up” or “start- up company” means a private company incorporated under the Companies Act, 2013 (18 of 2013) or the Companies Act, 1956 (1 of 1956) and recognised as start- up in
--	--	--	--	--

				accordance with the notification issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.
6	2.3	Meeting of Independent Directors Where a company is required to appoint Independent Directors under the Act, such Independent Directors	Meeting of Independent Directors Where a company is required to appoint Independent Directors under the Act, such Independent Directors shall hold at least one Meeting in a financial year without attendance of Non-Independent Directors and members of management.	Amendment in law Amendment in Schedule IV to the Companies Act, 2013 (Notification dated 5th July, 2017) as under: The independent directors of the company shall hold at least one meeting ["in a financial year"], without the attendance of non-independent director and members of management;
7	3.2	A Director shall neither be reckoned for Quorum nor shall be entitled to participate in respect of an item of business in which he is interested. However, in case of a private company, a Director shall be entitled to participate in respect of such item after disclosure of his interest.	A Director shall neither be reckoned for Quorum nor shall be entitled to participate in respect of an item of business in which he is interested. However, in case of a private company, a Director shall be reckoned for Quorum and entitled	Amendment in law MCA Exemption Notifications dated 13th June, 2017 Exemption to Private Company (In partial Modification to Principle

			to participate in respect of such item after disclosure of his interest.	exemption notification dated 5th June, 2015) Section 174(3): Quorum for Meetings of Board. Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time. Explanation.— For the purposes of this sub-section, “interested director” means a director within the meaning of sub-section (2) of section 184.] In case of private companies, the above shall
--	--	--	---	---

				apply with the exception that the interested director may also be counted towards quorum in such meeting after disclosure of his interest pursuant to section 184. Therefore, in case of a private company, the interested director may also be counted towards quorum after disclosure of his interest. Earlier, the exemption was provided w.r.t participation ONLY in the meeting by an interested director, after disclosure of interest.
8	3.3	Directors participating through Electronic Mode in a Meeting shall be counted for the purpose of Quorum, unless they are to be excluded for any items of business under the provisions of the Act or any other law.	Directors participating through Electronic Mode in a Meeting shall be counted for the purpose of Quorum, unless they are to be excluded for any items of business under the provisions of the Act or any other law. except for restricted items in which Quorum shall be ascertained on the basis of physical	Amendment in law Companies (Amendment) Act, 2017 Section 173 (2) - 2nd proviso inserted as under:— "Provided further that where there is quorum in a meeting through physical presence of directors, any

			presence of Directors.	other director may participate through vi deo conferencing or other audio visual means in such meeting on any matter specified under the first proviso." This amendment allow participation of directors on certain items at Board meetings through video conferencing or other audio visual means if there is quorum through physical presence of directors.
9	5.1.2 (3rd Paragraph)	If the Chairman is interested in an item of business, he shall entrust the conduct of the proceedings in respect of such item to any Non-Interested Director with the consent of the majority of Directors present and resume the chair after that item of business has been transacted. However, in case of a private company, the Chairman may continue to chair and participate in the Meeting after disclosure of his interest.	If the Chairman is interested in an item of business, he shall entrust the conduct of the proceedings in respect of such item to any Non-Interested Director, with the consent of the majority of Directors present, and resume the chair after that item of business has been transacted. However, in case of a private company, the Chairman may continue to chair, be reckoned for quorum	Amendment in law MCA Exemption Notifications dated 13th June, 2017 Exemption to Private Company (In partial Modification to Principle exemption notification dated 5th June, 2015) Section 174(3):

			and entitled to participate in the Meeting in respect of such item after disclosure of his interest.	Quorum for Meetings of Board Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time. Explanation.— For the purposes of this sub-section, “interested director” means a director within the meaning of sub-section (2) of section 184.] In case of private companies, the above shall apply with the exception that the interested director may also be counted
--	--	--	--	--

				towards quorum in such meeting after disclosure of his interest pursuant to section 184. Therefore, in case of a private company, the interested director may also be counted towards quorum after disclosure of his interest.
10	6.2.2 (3rd Paragraph)	Proof of sending and delivery of the draft of the Resolution and the necessary papers shall be maintained by the company for such period as decided by the Board, which shall not be less than three years from the date of the meeting	Proof of sending and delivery of the draft of the Resolution and the necessary papers shall be maintained by the company for such period as decided by the Board, which shall not be less than three years from the date of the the Meeting circulation of such Resolution.	Minor/factual change Considering that there is no 'Meeting' in case of resolutions passed by circulation, the proposed change is suggested for better clarity and uniformity in practice.
11	After Paragraph 9	EFFECTIVE DATE	This Standard shall come into effect from 1st October, 2017 1st April, 2024.	
12	Annexures	Annexure 'A' (Para 1.3.8) Annexure 'B' (Para 1.3.8)	<i>Annexure 'A' (Paragraph 1.3.8)</i> <i>Annexure 'B' (Paragraph 1.3.8)</i>	Language improvement Being more appropriate, the term "Paragraph" is used instead of "Para".

13	Annex-A (Specific items 9th Bullet point)	In case of a public company, the appointment of Director(s) in casual vacancy subject to the provisions in the Articles of the company.	In case of a public company, the a	Amendment in law Companies (Amendment) Act, 2017 Section 161(4): In the case of a public company If the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next general meeting.
----	---	---	---	--

Secretarial Standard - 2

S. no.	Para No.	Pre-revised Text of SS- 2	Post-revised Text of SS-2	Rationale
1	Scope (Paragraph 1 & 2)	This Standard is applicable to all types of General Meetings of all companies incorporated under the Act except One Person Company (OPC) and a company licensed	This Standard is applicable to all types of General Meetings of all companies incorporated under the Act except One Person Company (OPC) and a	Amendment in Law MCA Exemption Notifications dated 13th June, 2017

		under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof. However, Section 8 companies need to comply with the applicable provisions of the Act relating to General Meetings.	company registered under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof. However, companies registered under Section 8 of the Companies Act, 2013 need to comply with the applicable provisions of the Act relating to General Meetings. The exemption to a company registered under Section 8 of the Companies Act, 2013 as referred above and the specific exemptions given to a private company and Government company in this Standard shall be available only if it has not committed any default in filing its Financial Statements or Annual Return with the Registrar of Companies.	in respect of Section 8 Company / Private Company The exemptions stated under MCA notifications dated 5th June, 2015 and 13th June, 2017 shall be available only to those companies which have not committed a default in filing its financial statements under Section 137 or annual return under Section 92 of the Act with the Registrar.
	Definitions	“Ordinary Business” means business to be transacted at an Annual General Meeting relating to (i) the consideration of financial statements, consolidated financial statements, if any, and the reports of the Board of Directors and Auditors; (ii) the declaration of any dividend; (iii) the	“Ordinary Business” means business to be transacted at an Annual General Meeting relating to (i) the consideration of financial statements, consolidated financial statements, if any, and the reports of the Board of Directors and Auditors; (ii) the	Amendment in Law Companies (Amendment) Act, 2017 Omitted the following proviso to Section 139(1): “Provided that the company shall place the

		appointment of Directors in the place of those retiring; and (iv) the appointment or ratification thereof and fixing of remuneration of the Auditors.	declaration of any dividend; (iii) the appointment of Directors in the place of those retiring; and (iv) the appointment and fixing of remuneration of the Auditors.	matter relating to such appointment for ratification by members at every annual general meeting."
3	1.2.4 5 th Paragraph	Annual General Meetings shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated, whereas other General Meetings may be held at any place within India.	Annual General Meetings shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated., However, Annual General Meetings of an unlisted company may be held at any place in India, if prior consent is given by all the members either in writing or by Electronic Mode. Such consent shall be received before the Meeting. Extra-Ordinary General Meetings may be held at any place within India. In case of a wholly owned subsidiary of a company incorporated outside India, Extra-Ordinary General Meetings may be held outside India.	Amendment in Law Companies (Amendment) Act, 2017 In section 96 (2) following proviso inserted:— "Provided that annual general meeting of an unlisted company may be held at any place in India if consent is given in writing or by electronic mode by all the members in advance: In Section 100(1), the following inserted:— "Provided that an extraordinary general meeting of the company, other than of the wholly owned subsidiary of a company incorporated outside India, shall be held at a place within India."
4	1.2.4	In case of a Government	In case of a	Amendment in

	6 th Paragraph	company, the Annual General Meeting shall be held at its registered office or any other place with the approval of the Central Government, as may be required in this behalf.	Government company, the Annual General Meeting shall be held at its registered office or such other place within the city, town or village in which the registered office of the company is situated or such other place as the Central Government, may approve in this behalf.	Law MCA Exemption Notifications dated 13th June, 2017 Exemption to Govt. Company (In partial Modification to Principle exemption notification dated 5th June, 2015) Section 96(2): Every annual general meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday and shall be held either at the registered office of the company or at such other place within the city, town or village in which the registered office of the company is situated or such other place as the Central Government may approve in this behalf.
5	1.2.4 Last Paragraph	In case of a private company, the Notice shall specify the entitlement of a member to appoint Proxy in accordance with this para, unless otherwise	In case of a private company, the Notice shall specify the entitlement of a member to appoint Proxy in accordance with this paragraph,	Language improvement Being more appropriate, the term "Paragraph" is

		provided in the Articles.	unless otherwise provided in the Articles.	used instead of "Para".
6	1.2.7	Notice and accompanying documents may be given at a shorter period of time if consent in writing is given thereto, by physical or electronic means, by not less than ninety-five percent of the Members entitled to vote at such Meeting. The request for consenting to shorter Notice and accompanying documents shall be sent together with the Notice and the Meeting shall be held only if the consent is received prior to the time fixed for the Meeting from not less than ninety-five percent of the Members entitled to vote at such Meeting. The company shall ensure compliance of provisions relating to appointment of Proxy unless all the Members entitled to vote at such Meeting, consent to holding of the General Meeting at shorter Notice. In case of a private company, consent for shorter Notice shall be obtained from such number of members as specified in this para, unless otherwise provided in the Articles.	Notice and accompanying documents may be given at a shorter period of time if the requisite consent of Members in writing is accorded thereto, by physical or electronic means, as under: (i) In case of an Annual General Meeting, consent by not less than ninety-five percent of the Members entitled to vote at such Meeting. However, the Financial Statements and other documents required to be annexed thereto may be given at a shorter period of time if the requisite consent of Members in writing, by physical or electronic means, is accorded thereto: (a) if the company has a share capital, consent by the majority in number of members entitled to vote and represent not less than ninety-five per cent of such part of the paid-up share capital of the company as gives a right to vote at the Meeting; (b) if the company has no share capital,	Amendment in Law Companies (Amendment) Act, 2017 The amended section 101 provides that the general meetings may be held at a shorter notice subject to the requisite consent. This amendment in SS-2 is to include the effect of Amendments in Section 101. Section 101 Provided that a general meeting may be called after giving shorter notice than that specified in this subsection if consent, in writing or by electronic mode, is accorded thereto— (i) in the case of an annual general meeting, by not less than ninety-five per cent. of the members

			consent by the Members having not less than ninety-five per cent of the total voting power exercisable at such Meeting. (ii) In case of any other General Meeting- (a) if the company has a share capital, consent by the majority in number of members entitled to vote and represent not less than ninety-five per cent of such part of the paid-up share capital of the company as gives a right to vote at the Meeting; (b) if the company has no share capital, consent by the Members having not less than ninety-five per cent of the total voting power exercisable at such Meeting. The request for consenting to shorter Notice and accompanying documents shall be sent together with the Notice and the Meeting shall be held only if the requisite consent of Members as stated above is received prior to the time fixed for the Meeting Where any	entitled to vote thereat; and (ii) in the case of any other general meeting, by members of the company— a) holding, if the company has a share capital, majority in number of members entitled to vote and who represent not less than ninety-five per cent of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or (b) having, if the company has no share capital, not less than ninety-five per cent. of the total voting power exercisable at that meeting: Provided further that where any member of a
--	--	--	---	---

			Member of a company is entitled to vote only on some resolution or resolutions to be moved at a Meeting and not on the other, then vote of the Member with respect to shorter notice shall only be counted for the purpose of the resolution on which the Member can vote. In addition, the company shall ensure compliance of provisions relating to appointment of Proxy unless all the Members entitled to vote at such Meeting, consent to holding of the General Meeting at shorter Notice. In case of a private company, consent for shorter Notice shall be obtained from such number of Members as specified in this paragraph, unless otherwise provided in the Articles.	company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of this sub-section in respect of the former resolution or resolutions and not in respect of the latter." Amendment to Section 136 Proviso to Section 136 allow to send the financial statement at shorter period than 21 days. 136. a copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a
--	--	--	---	---

				company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty- one days before the date of the meeting: Provided that if the copies of the documents are sent less than twenty-one days before the date of the meeting, they shall, notwithstanding that fact, be deemed to have been duly sent if it is so agreed by members— (a) holding, if the company has a share capital, majority in number entitled to vote and who represent not less than ninety-five per cent. Of
--	--	--	--	---

				such part of the paid-up share capital of the company as gives a right to vote at the meeting; or (b) having, if the company has no share capital, not less than ninety five per cent. of the total voting power exercisable at the meeting: In addition to above, being more appropriate, the term "Paragraph" is used instead of "Para".
7	5.1 3 rd Paragraph	In case of a private company, appointment of the Chairman shall be in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, appointment of the Chairman shall be in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement Being more appropriate, the term "Paragraph" is used instead of "Para".
8	6.1 Last Paragraph	In case of a private company, the Proxy shall be appointed in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, the Proxy shall be appointed in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement Being more appropriate, the term "Paragraph" is used instead of "Para".
9	6.6.1 Last	In case of a private company, the Proxy shall be deposited with the	In case of a private company, the Proxy shall be deposited with	Language improvement

	Paragraph	company in accordance with this para, unless otherwise provided in the Articles.	the company in accordance with this paragraph, unless otherwise provided in the Articles.	Being more appropriate, the term "Paragraph" is used instead of "Para".
10	7.3 Last Paragraph	In case of a private company, the voting by show of hands shall be in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, the voting by show of hands shall be in accordance with this paragraph, unless otherwise provided in the Articles	Language improvement Being more appropriate, the term "Paragraph" is used instead of "Para".
11	7.4 Last Paragraph	In case of a private company, the poll shall be conducted in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, the poll shall be conducted in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement Being more appropriate, the term "Paragraph" is used instead of "Para".
12	7.5.1 ^{5th} Paragraph	In case of a private company, the Voting Rights shall be reckoned in accordance with this para, unless otherwise provided in the Memorandum or Articles of the company.	In case of a private company, the Voting Rights shall be reckoned in accordance with this paragraph, unless otherwise provided in the Memorandum or Articles of the company.	Language improvement Being more appropriate, the term "Paragraph" is used instead of "Para".
13	7.5.2	A Member who is a related party is not entitled to vote on a Resolution relating to approval of any contract or arrangement in which such Member is a related party. In case of a private company, a member who is a related party is	A Member who is a related party is not entitled to vote on a Resolution relating to approval of any contract or arrangement in which such Member is a related party, except in case of a company in which ninety percent or more Members, in	Amendment in Law Companies (Amendment) Act, 2017 In Section 188 (1), following t hird proviso is inserted:

		entitled to vote on such Resolution.	number, are relatives of promoters or are related parties. Further in case of wholly owned subsidiary, the resolution passed by the holding company shall be sufficient for the purpose of entering into the transactions between wholly owned subsidiary and holding company. In case of a private company, a member who is a related party is entitled to vote on such Resolution.	"Provided also that nothing contained in the second proviso shall apply to a company in which ninety per cent. or more members, in number, are relatives of promoters or are related parties:" In addition Rule 15(3) of Companies (Meeting of Board and its powers) Rules [Explanation (2)] provides as under: In case of wholly owned subsidiary, the resolution passed by the holding company shall be sufficient for the purpose of entering into the transaction between the wholly owned subsidiary and the holding company. The intent of above provision is also included in the standard to give clarity.
14	7.5.2	A member who is a related party is entitled	A member who is a related party is entitled	Amendment in Law To include

	3 rd Paragraph	to vote on a Resolution pertaining to approval of any contract or arrangement to be entered into by: (a) A Government company with any other Government company; or (b) An unlisted Government company with the prior approval of competent authority, other than those contract or arrangements referred in clause (a).	to vote on a Resolution pertaining to approval of any contract or arrangement to be entered into by: (a) A Government company with any other Government company or with Central Government or any State Government or any combination thereof; or (b) An unlisted Government company with the prior approval of competent authority, other than those contract or arrangements referred in clause (a).	the effect of amendments in principal exemption notification dated 15th June, 2015 issued by MCA in respect Government Companies, which was partially amended vide MCA notification dated 2nd March, 2020.
15	9.4 Last paragraph	In case of a private company, the appointment of scrutiniser(s) shall be in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, the appointment of scrutiniser(s) shall be in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement Being more appropriate, the term "Paragraph" is used instead of "Para".
16	9.5.1 Last paragraph	In case of a private company, the declaration of result of poll shall be in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, the declaration of result of poll shall be in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement Being more appropriate, the term "Paragraph" is used instead of "Para".
17	15.4	In case of a private	In case of a private	Language

	Last para	company, the adjournment of Meeting for want of quorum shall be in accordance with this para, unless otherwise provided in the Articles.	company, the adjournment of Meeting for want of quorum shall be in accordance with this paragraph, unless otherwise provided in the Articles.	improvement Being more appropriate, the term "Paragraph" is used instead of "Para".
18	15.5 Last paragraph	In case of a private company, the requisitioned meeting shall stand cancelled in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, the requisitioned meeting shall stand cancelled in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement Being more appropriate, the term "Paragraph" is used instead of "Para".
19	16.1	Every company, except a company having less than or equal to two hundred Members, shall transact items of business as prescribed, only by means of postal ballot instead of transacting such business at a General Meeting.	Every company, except a company having less than or equal to two hundred Members, shall transact items of business as prescribed, only by means of postal ballot instead of transacting such business at a General Meeting. However, such item of business may be transacted at a General Meeting by a company which is required to provide e-voting facility to its Members.	Amendment in Law Companies (Amendment) Act, 2017: In section 110 (1), the following proviso inserted: "Provided that any item of business required to be transacted by means of postal ballot under clause (a), may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that

				section."
20	16.8	A Resolution passed by postal ballot shall not be rescinded otherwise than by a Resolution passed subsequently through postal ballot.	A Resolution passed by postal ballot shall not be rescinded otherwise than by a Resolution passed subsequently through postal ballot or passed at a General Meeting by a company which is required to provide e-voting facility to its Members.	Amendment in Law Companies (Amendment) Act, 2017 In section 110 (1), the following proviso inserted: "Provided that any item of business required to be transacted by means of postal ballot under clause (a), may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section."
21	After Para 20	EFFECTIVE DATE	This Standard shall come into effect from 1st October, 2017 1 st April, 2024.	
22	Annexure	Annexure (Para 16.1)	Annexure (Paragraph 16.1)	Language improvement Being more appropriate, the term "Paragraph" is used instead of "Para".

22. Ministry of Corporate Affairs has taken several steps to improve ease of doing business and enhance ease of compliance (December 03, 2024)

The Centre for Processing Accelerated Corporate Exit (C-PACE) was established vide MCA Notification No. S.O. 1269(E) dated 17th March 2023 to centralize and speed up the voluntary strike off process of companies u/s 248 (2) of the Companies Act, 2013 in a fast-track mode in order to facilitate 'Ease of Doing Business' in India. Since its inception 13,560 companies have been struck off u/s 248(2) of the Companies Act, 2013 through ROC C-PACE in the financial year 2023-24 and 11,855 companies in the current financial year 2024-25 up to 15th November, 2024. The average time taken for processing such applications has come down to between 70-90 days

Vide notification No G.S.R. 475(E) dated 5th August 2024 the Ministry has centralized the striking off of Limited Liability Partnerships (LLPs) by empowering the CPACE for processing of e-Forms related to striking off of LLPs, as well.

To improve ease of doing business and enhance ease of compliance, MCA has taken several steps in the recent past including some major steps as under:

(i) Decriminalization of 63 offences under the Companies and LLP Acts. While providing relief to corporates, one of the objectives of decriminalization has also been reduction of litigation burden in judicial courts and shifting the prosecution cases towards adjudication.

(ii) Conversion of more than 54 forms to Straight Through Process (STP) which earlier required approval of field offices.

(iii) Introducing e-Form SPICe+ along with a linked form called AGILE PRO-S for providing different services at one place such as Name Reservation, Incorporation, Allotment of PAN, TAN, DIN, EPFO Registration, ESIC Registration, GST number, opening of Bank Account etc. at the time of incorporation of company to start the business immediately. Similarly, new e-Form FiLLiP (Form for incorporation of Limited Liability Partnership) was introduced for providing the same services in a single application.

(iv) Definition of Small Company has been amended by increasing the threshold limit of a small company from having a paid-up capital not exceeding Rs.2.00 Crore to Rs.4.00 Crore and turnover not exceeding Rs.20.00 Crore to Rs.40.00 Crore. Similarly, concept of small LLP has been introduced which is subject to lesser compliances, lesser fee to reduce the cost of compliances.

(v) Setting up of a Centralized Registrar of Companies (CRC) for incorporation to provide uniformity in the incorporation process.

(vi) Setting up of a Central Scrutiny Centre (CSC) for centralised scrutiny of e-Forms filed under STP.

(vii) Setting up a Central Processing Centre (CPC) for centralised processing of specified non-STP e-forms.

(viii) Setting up an e-Adjudication Portal for adjudication of offences related to the Companies Act.

(ix) Zero fee for incorporation of company with authorized capital up to Rs.15.00 Lakh.

(x) Extended fast track process for mergers under the Companies Act, 2013 to include mergers of Startups with other Startups and with small companies, so that the process of mergers & amalgamations is expedited.

(xi) The scope of section 233 of CA-2013 (Fast Track Mergers & Amalgamation through approval of Regional Directors) enhanced. This now also covers merger of a transferor foreign company incorporated outside India (being a holding company) with its wholly owned subsidiary incorporated in India.

(xii) Zero cost for shifting of the registered office of a company.

(xiii) Convening Annual General Meeting (AGM) and Extra-ordinary General Meeting (EGM) of a company through Video Conference (VC).

(xiv) Companies (Listing of Equity Shares in Permissible Jurisdictions) Rules, 2024 have been issued allowing Indian Public companies to list their equity shares on international stock exchange(s) at GIFT IFSC.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=2080297>

23. Government has launched many initiatives to support women employees and entrepreneurs ensuring safe, secure and nondiscriminating environment for women (February 10, 2025)

The Companies Act, 2013, administered by the Ministry of Corporate Affairs, has many provisions intending to nurture a safe, secure and non-discriminating environment for women at workplace.

2nd Proviso to the Section 149 of the Companies Act read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, makes it mandatory for every listed company and every other public company having paid up share capital of Rs. 100 crore or more or having turnover of Rs. 300 crore or more to appoint at least one woman director.

Further, the Government has taken a number of initiatives to support women employees and women owned enterprises, as follows:

- To support women entrepreneurs under Credit Guarantee Scheme for Micro and Small Enterprises, additional benefits has been given to women than to the other entrepreneurs.
- Under Prime Minister Employment Generation Programme (PMEGP), which is a major credit-linked subsidy program in which the substantial beneficiaries are women who are provided higher subsidy viz-a-viz nonspecial category.
- Stand-Up India (SUI) Scheme has the objective to facilitate loans from Scheduled Commercial Banks (SCBs) of value between Rs. 10 lakh and Rs. 1 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and one women borrower per bank branch for setting up greenfield enterprise.
- An initiative namely "Yashasvini", was launched on 27.06.2024, which aims to campaign for women entrepreneurs and empower women by building their capacity, with a focus in TierII/III towns.

- The Code on Social Security, 2020 and the Code on Wages, 2019 have provisions regarding maternity benefits to women workers and non-discrimination on grounds of gender respectively.
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SH Act) provides a legislative framework for prevention of sexual harassment at workplace. The Act provides for constitution of Internal Committee (IC) where the number of employees is 10 or more and also mandates for constitution of Local Committee (LC) by the District Officer notified under the Act to deal with the cases of workplaces where the number of employees is less than 10 or when the complaint is against the employer itself.
- In order to provide for a centralized platform for details of ICs and LCs available in the country as well as for providing a platform to the aggrieved woman to file her complaint, a revamped version Sexual Harassment electronic-Box (SHe-Box) was launched by Government on 29.08.2024. This is an effort of Government of India to provide a single window access to every woman, irrespective of her work status, whether working in organised or unorganised, private or public sector, to facilitate the registration of complaint related to sexual harassment.
- Under Maternity Benefit (Amendment) Act, 2017, Section 11(a) stipulates that every establishment having fifty or more employees shall have the facility of creche.
- To facilitate working mothers in giving due care and protection to their children, 'Palna'- a Centrally Sponsored Scheme was introduced w.e.f. 01 April 2022, for providing day care facilities and protection to children.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2101427>

24. Industry Standards on 'Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction' (February 14, 2025)

SEBI has introduced industry standards for the minimum information that listed entities are required to provide to the audit committee and shareholders when seeking approval for the related party transactions (RPT). The Industry Standards Forum (ISF) comprising representatives from three industry associations i.e ASSOCHAM, CII and FICCI have formulated these standards for minimum information to be provided for review of the audit committee and shareholders for approval of RPTs in consultation with SEBI under the aegis of the stock exchanges. The industry associations and stock exchanges will publish these standards on their websites to facilitate a uniform approach and assist listed entities in complying with the requirements.

For details: https://www.sebi.gov.in/legal/circulars/feb-2025/industry-standardson-minimum-information-to-be-provided-for-review-of-the-auditcommittee-and-shareholders-for-approval-of-a-related-partytransaction_91945.html

25. Government has Launched Multiple Digital Initiatives for Transparency and Efficiency, Reducing compliance burden in corporate filings (March 25, 2025)

To prevent fraudulent filings, web-based online forms have been introduced in MCA21 V3, incorporating field-level validations and auto-prefill functionalities across forms. Furthermore, multifactor authentication has been implemented to verify the identity of users accessing the system. Additionally, measures such as masking private information from public view have been adopted to ensure the confidentiality and integrity of the data.

The Ministry has introduced several digital initiatives to enhance transparency, efficiency, quickness in service delivery for reducing compliance burden and enhancing user experience, a few are listed below:

- i. The Centre for Processing Accelerated Corporate Exit (CPACE) for centralized processing of voluntary closure of Companies/LLPs.
- ii. The Centralized Processing Centre (CPC) streamlines the verification process for various Non-STP forms by consolidating operations at a single location, replacing multiple RoC locations.
- iii. The MCA Portal Mobile App offers stakeholders seamless access to various services available on the MCA21 website.
- iv. The Chatbot serves as a unified communication channel, allowing stakeholders to interact via chat or call for query resolution.
- v. The E-Adjudication system provides an end-to-end online platform for the processing of adjudication cases, ensuring efficiency and transparency.
- vi. Stakeholders can also raise tickets on the MCA21 portal to provide feedback and report grievances if any, regarding challenges faced.

The total number of corporate filings, processed through MCA21, have steadily increased from 67,02,788 in 2020-21 to 80,77,210 in 2023-24, reaching 84,30,731 by February 2025.

For details: <https://pib.gov.in/Pres sReleasePage.aspx?PRI D=2114940>

26. MCA rolled out final set of 38 company forms from July 14, 2025 (May 30, 2025)

The Ministry of Corporate Affairs in its continuous endeavour to serve better, is launching final set of 38 Company Forms [including 13 Annual filing forms, 6 Audit/Cost audit forms] on 14th July 2025 at 12:00 AM.

To facilitate implementation of these forms in V3 MCA21 portal, stakeholders are advised to note the following points:

- (1) Company e-Filings on V2 portal will be disabled from 18th June 2025 12:00 AM. Thus, all the stakeholders are advised to ensure that no SRNs are under pending payment/Resubmission status.
- (2) Offline payments in V2 using Pay later option will be stopped from 08th June 2025 12:00 AM. Therefore, you are requested to make payments for these forms in V2 through online mode only. (Credit/Debit Card and Net Banking)

(3) In view of the upcoming launch, V3 portal will not be available from 09th July 2025 12:00 AM to 13th July 2025 11:59 PM. Accordingly, stakeholders are advised to plan and file/resubmit current V3 forms before 09th July 2025 as there will be no waiver of fees or extension of resubmission period, if the due date/resubmission date fall within the mentioned downtime period i.e. 09th July 2025 12:00 AM to 13th July 2025 11:59 PM.

(4) Stakeholders are advised to create user ID/upgrade existing V2 ID/Merge V2 ID in V3 system under "Business user" category and associate the DSC if not already done.

(5) Stakeholders are requested to check the SRNs that are currently pending with status "Pending for upload of Investor details", "Pending for Subsidiary Details" and upload the details by using services available on MCA portal ["Upload details of Security Holders/Depositors" and "Update Subsidiary Details"] by 17th June 2025, failing which SRN will be marked under "NTBR" status.

For details: <https://www.mca.gov.in/content/mca/global/en/home.html>
