



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, 2024 Examination*

# COMPANY LAW & PRACTICE

## GROUP 1

## PAPER 2

*Disclaimer: This document has been prepared purely for academic purposes only and it does not necessarily reflect the views of ICSI. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.*

***Students appearing in Examination shall note the following:***

*(Supplement covers amendments/developments from January 01, 2023 to May 31, 2024)*

*Students appearing in December, 2024 Examination should also update themselves on all the relevant Notifications, Circulars, Clarifications, Orders etc. issued by MCA, SEBI, RBI & Central Government upto 31 May, 2024.*

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

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## **Lesson 1: Introduction to Company Law**

### **1. MCA Establishes Centre for Processing Accelerated Corporate Exit**

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)**

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%252BHpwLl3BHRQ%253D%253D&type=open>

### **3. 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.

<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>

## Lesson 4: Shares and Share Capital- Concepts

### **1. The Companies (Share Capital and Debentures) Amendment Rules, 2023 (MCA Notification No. G.S.R.43(E) dated January 21, 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 (MCA Notification No. G.S.R. 37(E) dated January 20, 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 (MCA Notification No. G.S.R. 43(E) dated January 21, 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:**

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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>

#### **4. Reduction of timeline for listing of shares in Public Issue from existing T+6 days to T+3 days (Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023 /140 dated August 09, 2023)**

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](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 (MCA Notification No. G.S.R. 802(E) dated October 27, 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?mcs=qclDsiX0Le%252F2EMv7m1iyEw%253D%253D&type=openhttps://pib.gov.in/PressReleaseIframePage.aspx?PRID=1999154>

## Lesson 5: Members and Shareholders

### **1. The Companies (Management and Administration) Amendment Rules 2023 (MCA Notification No. G.S.R. 44(E) dated January 21, 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 (MCA Notification No. G.S.R. 801(E) dated October 27, 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>

## Lesson 9 : Accounts and Auditor

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

(MCA Notification G.S.R. 242(E) dated March 31<sup>st</sup> 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

(MCA Notification No. G.S.R. (E) dated January 21, 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%252BXA1w%253D%253D&type=open>

## 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 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 confirmation order shall be issued accordingly.

#### **For details:**

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzE3MzkzNTgy&docCategory=Notifications&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 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](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)

## Lesson 17: Corporate Social Responsibility

### **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>

## **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>

## Miscellaneous

### **1. The Companies (Incorporation) Amendment Rules 2023 (MCA Notification No. G.S.R.42(E) dated January 21, 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-31, 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** (MCA Notification No. G.S.R. 298(E) dated April 17, 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** (MCA Notification No. G.S.R. 354(E) dated May 10, 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  
(MCA Notification No. G.S.R. 45(E) dated January 23, 2023)**

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?mcs=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: ■ 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;

- 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;

- 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 Circular No. 25CIRCULARSEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023)

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](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 (Notification No. SEBI/LADNRO/GN/2023/146 dated August 16, 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 (MCA General Circular No. 08/2023 dated August 23, 2023)**

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 update dated September 29, 2023)**

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  
(MCA Notification No. G.S.R. 790(E) dated 29th October, 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 (MCA Notification No. G.S.R. 803(E)-October 27, 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 a 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 (MCA Notification No. S.O. 4744(E) dated October 30th, 2023)**

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 Depository Receipts (ADRs) and Global Depository 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?mids=flA9%252BFLpJeScxnEXI0xncQ%253D%253D&type=open>

**16. The Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023 (MCA Notification G.S.R dated 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.

**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?mids=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. Ministry of Corporate Affairs Relaxation of additional fees and extension of last date of filing of Form No. LLP BEN-2 and LLP Form No.4D under the Limited Liability Partnership Act, 2008 (February 07, 2024)**

Ministry of Corporate Affairs (MCA) has issued general circular no. 01/2024 dated February 07, 2024 stating that, it has notified LLP (Significant Beneficial Owners) Rules, 2023 and prescribed E Form LLP BEN-2 to file return to the Registrar in respect of declaration under section 90 of the Companies Act, 2013. Similarly, MCA has notified LLP (Third Amendment) Rules, 2023 and prescribed E Form LLP No. 4D to file return to the Registrar in respect of declaration of beneficial interest in contribution received by the LLP. In view of transition of MCA 21 from version-2 to version-3 and to promote compliance on part of reporting LLPs, it is informed that such LLPs may file form LLP

BEN-2 and LLP Form No. 4D, without payment of any additional fees, upto 15.05.2024. The two forms shall be made available in version-3 for filing purposes w.e.f 15.04.2024.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=ui4J8CwvqBhepbNiu3putw%253D%253D&type=open>

**19. Relaxation of additional fees and extension of last date of filing of LLP BEN-2 and LLP Form No. 4D under the Limited Liability Partnership Act, 2008. (7th May,2024)**

The Ministry of corporate Affairs has notified Limited Liability partnership (significant Beneficial owners) Rules, 2023 vide G.S.R. No. 832 ( E ) dated 09.11.2023 and has prescribed E-form LLP BEN-2 to file Return to the Registrar in respect of declaration under section 90 of the Companies Act, 2013.

Similarly, the Ministry of corporate Affairs has notified Limited Liability Partnership (Third Amendment) Rules, 2023 vide G.S.R. No. 803(E) dated, 27.10.2023 and prescribed E-form LLP Form no. 4D to file Return to the Registrar in respect of declaration of beneficial interest in contribution received by the LLP.

Keeping in view of transition of MCA-21 from version-2 to version-3 and to promote compliance on part of reporting Limited Liability Partnerships, and in continuation of General circulars No. 01/2024 dated 07.02.2024, it has been decided by the competent authority that LLPs may file Form LLP BEN-2 and LLP Form No. 4D, without payment of any further additional fees, up to 01.07.2024

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=URMz2bS8F8Djdq9d7o0gpw%253D%253D&type=open>