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Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

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SUPPLEMENT PROFESSIONAL PROGRAMME

for

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COMPLIANCE MANAGEMENT, AUDIT & DUE DILIGENCE

(Supplement covers amendments/developments from May 2023 to
May 2024)

GROUP 1

PAPER 3

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Amendments in Secretarial Standard – 1 & Secretarial Standard – 2

Secretarial Standard – 1

S. no.	Para No.	<u>Pre-revised Text of SS-1</u>	<u>Post-revised Text of SS-1</u>	Rationale
1	Scope (Paragraph 1 & 2)	<p>This Standard is applicable to the Meetings of Board of Directors of all companies incorporated under the Act except <u>One Person Company</u> (OPC) in which there is only one Director on its Board and a company licensed under <u>Section 8</u> of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof.</p> <p>However, Section 8 companies need to comply with the applicable provisions of the Act relating to Board Meetings.</p>	<p>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.</p> <p>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.</p> <p>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 <u>Financial Statements or Annual Return with the Registrar of Companies.</u></p>	<p>Amendment in law</p> <p>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.</p> <p>The exemptions stated under notification 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.</p> <p style="text-align: right;">MGT-7 AOC-4.</p>
2.	1.2.3	Any Director may participate through Electronic Mode in a Meeting unless the Act or any other law specifically prohibits	Any Director may participate through Electronic Mode in a Meeting unless the Act or any other law specifically prohibits such participation	Amendment in law

		<p>such participation through Electronic Mode in respect of any item of business.</p> <p>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 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.</p>	<p>through Electronic Mode in respect of any item of business.</p> <p>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.</p> <p>Such restricted items 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.</p>	<p>Section 173 (2) - 2nd proviso inserted as under:</p> <p>"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 under the first proviso."</p> <p>In the Companies (Meetings of Board and its Powers) Rules, 2014, in rule 4, the following proviso is inserted:-</p> <p>"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."</p>
3	1.3.4 After 3rd Paragraph	<p>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.</p>	<p>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.</p> <p>Such intimation shall not debar him from participation in the</p>	<p>Amendment in law</p> <p>Amendment in Companies (Meetings of Board and its Powers) Rules, 2014 (Notification dated 13th July, 2017)</p> <p>Rule 3(3)(e):</p>

			<p>Meeting in person provided he gives such intimation sufficiently in advance to the company.</p>	<p>(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</p> <p>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.</p>
4	<p>1.3.7 (8th Paragraph)</p> <p style="text-align: center;">①</p>	<p>“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: –</p> <p>(i) financial results;</p> <p>(ii) dividends;</p>	<p>“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: –</p> <p>(i) financial results;</p> <p>(ii) dividends;</p> <p>(iii) change in capital structure;</p>	<p>Amendment in law</p> <p>SEBI vide notification dated 31.12.18 amended the definition of “Unpublished Price Sensitive Information”, effective from 01.04.19.</p> <p>The definition of UPSI referred in SS-1 is revised accordingly.</p>

		<p>(iii) change in capital structure;</p> <p>(iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;</p> <p>(v) changes in key managerial personnel; and</p> <p>(vi) material events in accordance with the listing agreement*.</p>	<p>(iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and</p> <p>(v) changes in key managerial personnel; and</p> <p>(vi) material events in accordance with the listing agreement*.</p>	
5	<p>2.1 (2nd Paragraph)</p> <p></p>	<p>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.</p> <p>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 <u>less than</u> ninety days.</p>	<p>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.</p> <p>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.</p> <p>An adjourned Meeting being a continuation of the original Meeting, the interval period in such a case, shall be counted from</p>	<p>Amendment in law</p> <p>MCA Exemption Notifications dated 13th June, 2017 (Exemption to Private Company)</p> <p>For sub-section 173(5), the following sub-section shall be substituted:-</p> <p>(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 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</p>

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			<p>the date of the original Meeting.</p> <p>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.</p>	<p>between the two meetings is not less than ninety days:</p> <p>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.</p> <p>Explanation to Section 2(40) of the Act:</p> <p>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.</p>
6	2.3	<p>Meeting of Independent Directors</p> <p>Where a company is required to appoint Independent Directors under the Act, such Independent Directors</p>	<p>Meeting of Independent Directors</p> <p>Where a company is required to appoint Independent Directors under the Act, such Independent Directors shall hold at least one</p>	<p>Amendment in law</p> <p>Amendment in Schedule IV to the Companies Act, 2013 (Notification dated 5th July, 2017) as under:</p>

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		shall meet at least once in a Calendar Year.	Meeting in a financial year without attendance of Non-Independent Directors and members of management.	The independent directors of the company shall hold at least one meeting ["in a financial year"], without the attendance of non-independent directors 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 to participate in respect of such item after disclosure of his interest.	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): 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

				<p>sub-section, “interested director” means a director within the meaning of sub-section (2) of section 184.]</p> <p>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.</p> <p>Therefore, in case of a private company, the interested director may also be counted towards quorum after disclosure of his interest.</p> <p>Earlier, the exemption was provided w.r.t participation ONLY in the meeting by an interested director, after disclosure of interest.</p>
8	3.3	<p>Directors participating through <u>Electronic Mode in a Meeting</u> 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.</p>	<p>Directors participating through Electronic Mode in a Meeting shall be counted for the purpose of Quorum, <u>unless they are to be excluded for any items of business under the provisions of the Act or any other law.</u></p>	<p>Amendment in law Companies (Amendment) Act, 2017</p> <p>Section 173 (2) - 2nd proviso inserted as under:—</p>

			<p>except for restricted items in which <u>Quorum shall be ascertained on the basis of physical presence of Directors.</u></p>	<p>"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 under the first proviso."</p> <p><u>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.</u></p>
9	<p>5.1.2 (3rd Paragraph)</p> <p><u>a</u></p>	<p>If the <u>Chairman</u> 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 <u>private company</u>, the <u>Chairman may continue to chair and participate in the Meeting after disclosure of his interest.</u></p>	<p>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 <u>Chairman may continue to chair, be reckoned for quorum and entitled to participate in the Meeting in respect of such item after disclosure of his interest.</u></p>	<p>Amendment in law</p> <p>MCA Exemption Notifications dated 13th June, 2017 Exemption to Private Company (In partial Modification to Principle exemption notification dated 5th June, 2015)</p> <p>Section 174(3): Quorum for Meetings of Board</p> <p>Where at any time the number of interested directors exceeds or is equal to two thirds of the total</p>

			<p>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.</p> <p>Explanation.—For the purposes of this sub-section, “interested director” means a director within the meaning of sub-section (2) of section 184.]</p> <p>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.</p> <p>Therefore, in case of a private company, the interested director may also be counted towards quorum after disclosure of his interest.</p> <p>Earlier, the exemption was provided w.r.t participation ONLY in the meeting by an interested director,</p>
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				after disclosure of interest.
10	6.2.2 (3rd Paragraph) 10	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 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)	Annexure 'A' (Paragraph 1.3.8) Annexure 'B' (Paragraph 1.3.8)	Language improvement Being more appropriate, the term "Paragraph" is used instead of "Para".
13	Annex-A (Specific items 9th Bullet point) 11	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 Appointment of Director(s) in casual vacancy subject to the provisions in the Articles of the company. To be subsequently approved in the immediate next general meeting. all companies	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

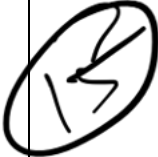
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				to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next general meeting.
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Secretarial Standard - 2

S. no.	Para No.	Pre-revised Text of SS-2	Post-revised Text of SS-2	Rationale
1	Scope (Paragraph 1 & 2)	<p>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 under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof.</p> <p>However, Section 8 companies need to comply with the applicable provisions of the Act relating to General Meetings.</p>	<p>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 registered under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof.</p> <p>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.</p> <p>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</p>	<p>Amendment in Law</p> <p>MCA Exemption Notifications dated 13th June, 2017 in respect of Section 8 Company / Private Company and Government Company. Now, the exemption is compliance based.</p> <p>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</p>

			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.	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 appointment of Directors in the place of those retiring; and (iv) the appointment or ratification thereof and fixing of remuneration of the Auditors.	“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 appointment of Directors in the place of those retiring; and (iv) the appointment and fixing of remuneration of the Auditors.	Amendment in Law Companies (Amendment) Act, 2017 Omitted the following proviso to Section 139(1): “Provided that the company shall place the 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.	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

		<p>UL → AGM } anywhere in India EGM } H → Incorporated O/S India S → India EGM → O/S India</p>	<p>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.</p>	<p>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."</p>
4	<p>1.2.4 6th Paragraph</p> 	<p>In case of a Government 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.</p>	<p>In case of a 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.</p>	<p>Amendment in 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</p>

				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 provided in the Articles.	In case of a private company, the Notice shall specify the entitlement of a member to appoint Proxy in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement Being more appropriate, the term "Paragraph" is used instead of "Para".
6	1.2.7 	<p>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.</p> <p>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.</p> <p>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</p>	<p>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:</p> <p>(i) In case of an Annual General Meeting, consent <u>by not less than ninety-five percent of the Members entitled to vote at such Meeting.</u></p> <p>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:</p> <p>(a) if the company has a share capital, consent by the majority in number of members entitled to vote and represent <u>not less than ninety-five per cent of such part of the paid-up share capital of the company as</u></p>	<p>Amendment in Law Companies (Amendment) Act, 2017</p> <p>The amended section 101 provides that the <u>general meetings may be held at a shorter notice subject to the requisite consent.</u> This amendment in SS-2 is to include the effect of amendments in Section 101.</p> <p>Section 101</p> <p>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—</p> <p>(i) in the case of an annual general meeting, by not less than ninety-five per cent. of the members</p>

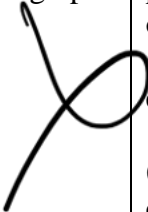
Shorter notice → Requisite 15% permission
GM
shorter → do is FS/BR

		<p>Meeting at shorter Notice.</p> <p>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.</p>	<p>gives a right to vote at the Meeting;</p> <p>(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.</p> <p>(ii) In case of any other General Meeting-</p> <p>(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;</p> <p>(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.</p> <p>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 Member of a company is entitled to vote only on some resolution or resolutions to be moved at a Meeting and not on the</p>	<p>entitled to vote thereat; and</p> <p>(ii) in the case of any other general meeting, by members of the company—</p> <p>(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</p> <p>(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:</p> <p>Provided further that where any member of a 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."</p>
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			<p>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.</p> <p>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.</p> <p>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.</p>	<p>Amendment to Section 136</p> <p>Proviso to Section 136 allow to send the financial statement at shorter period than 21 days.</p> <p>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:</p> <p>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</p>
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				<p>fact, be deemed to have been duly sent if it is so agreed by members—</p> <p>(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</p> <p>(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:</p> <p>In addition to above, being more appropriate, the term “Paragraph” is used instead of “Para”.</p>
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.	<p>Language improvement</p> <p>Being more appropriate, the term “Paragraph” is used instead of “Para”.</p>
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.	<p>Language improvement</p> <p>Being more appropriate, the term “Paragraph” is used instead of “Para”.</p>

9	6.6.1 Last Paragraph	In case of a private company, the Proxy shall be deposited with the company in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, the Proxy shall be deposited with the company in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement 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 5 th 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 entitled to vote on such Resolution.	<u>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 number, are relatives of promoters or are related parties.</u> Further in case of wholly owned subsidiary, the resolution passed by the holding company shall be sufficient for the purpose of entering into the	Amendment in Law Companies (Amendment) Act, 2017 In Section 188 (1), following third proviso is inserted: "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:"

			<p>transactions between wholly owned subsidiary and holding company.</p> <p>In case of a private company, a member who is a related party is entitled to vote on such Resolution.</p>	<p>In addition Rule 15(3) of Companies (Meeting of Board and its powers) Rules [Explanation (2)] provides as under:</p> <p>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.</p> <p>The intent of above provision is also included in the standard to give clarity.</p>
14	<p>7.5.2</p> <p>3rd Paragraph</p> 	<p>A member who is a related party is entitled to vote on a Resolution pertaining to approval of any contract or arrangement to be entered into by:</p> <p>(a) A Government company with any other Government company; or</p> <p>(b) An unlisted Government company with the prior approval of competent authority, other than those contract or arrangements referred in clause (a).</p>	<p>A member who is a related party is entitled to vote on a Resolution pertaining to approval of any contract or arrangement to be entered into by:</p> <p>(a) A Government company with any other Government company or with Central Government or any State Government or any combination thereof; or</p> <p>(b) An unlisted Government company with the prior approval of competent authority, other than those contract or arrangements referred in clause (a).</p>	<p>Amendment in Law</p> <p>To include the effect of amendments in principal exemption notification dated 15th June, 2015 issued by MCA in respect of Government Companies, which was partially amended vide MCA notification dated 2nd March, 2020.</p>

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 Last para 	In case of a private company, the adjournment of Meeting for want of quorum shall be in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, the adjournment of Meeting for want of quorum 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".
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 <u>company having less than or equal to two hundred Members, shall transact items of business as</u> 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 <u>company which is required to provide e-voting facility to its Members.</u>	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 <i>Cancelled</i> <i>20</i>	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 <i>P</i>	EFFECTIVE DATE	This Standard shall come into effect from 1st October, 2017 1 st April, 2024.	
22	Annexure <i>V</i>	Annexure (Para 16.1)	Annexure (Paragraph 16.1)	Language improvement Being more appropriate, the term "Paragraph" is used instead of "Para".

The revised Secretarial Standard 1 and 2 can be accessed from the link: <https://www.icsi.edu/ssb/home/>

Miscellaneous

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.

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>

2) 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:

2/ 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.

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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

23

• 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.

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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

25

• 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)].

22 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]

29 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] SR

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)] P

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)] P

3) **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/jul-2023/1688473896905.pdf#page=1&zoom=page-width,-16,842

4) **Disclosure of material events / information by listed entities under Regulations 30 and 30A of 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

5) **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

6) **SEBI (Facilitation of Grievance Redressal Mechanism) (Amendment) Regulations, 2023 (Notification No. SEBI/LADNRO/GN/2023/146 dated August 16, 2023)**

31 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

7) **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?mcs=Zt6foWsl%252BABAbU7Pid9NGg%253D%253D&type=open>

8) Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform. (Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2023 / 156 dated September 20, 2023)

SEBI has revised the framework for handling of complaints received through SCORES platform for Entities and for monitoring the complaints by designated bodies.

SEBI Complaint Redressal System (SCORES) is a centralised web-based complaint redressal facilitation platform launched in 2011 vide circular dated June 3, 2011 (bearing reference number CIR/OIAE/2/2011) to provide a facilitative platform for the benefit of the aggrieved investors, whose grievances against a listed company, registered intermediary or market infrastructure institution ("Entities") remain unresolved.

Currently, the process of investor grievances redressal on SCORES is governed by the Master Circular dated November 07, 2022 on "Processing of investor complaints against listed companies in SEBI Complaints Redress System - SCORES" (bearing reference SEBI/HO/OIAE/IGRD/P/CIR/2022 /0150). This Circular shall rescind the Master Circular SEBI/HO/OIAE/IGRD / P/CIR/2022/0150 dated November 07, 2022 above with effect from December 04, 2023.

The revised framework for handling of complaints received through SCORES platform for Entities and for monitoring the complaints by designated bodies is provided below:

Submission of the Complaint and handling of the Complaint by the Entity:

- All Entities who are in receipt of the complaints of the investors ("Complaint") through SCORES, shall resolve the complaint within 21 calendar days of receipt of such Complaint.
- The Complaints lodged on SCORES against any Entity shall be automatically

forwarded to the concerned Entity through SCORES for resolution and submission of ATR. Entities shall resolve the Complaint and upload the ATR on SCORES within 21 calendar days of receipt of the Complaint. The ATR of the entity will be automatically routed to the complainant.

First review of the Complaint:

• In case complainant is satisfied with the resolution provided by the entity vide the ATR or complainant does not choose to review the Complaint, the Complaint shall be disposed on SCORES. However, if the complainant is not satisfied, the complainant may request for a review of the resolution provided by the entity within 15 calendar days from the date of the ATR.

• In case the complainant has requested for a review of the resolution provided by the entity or the entity has not submitted the ATR within the stipulated time of 21 calendar days, the concerned Designated Body shall take cognizance of the Complaint for first review of the resolution through SCORES. The Designated Body shall take up the first review with the concerned Entity, wherever required. The concerned Entity shall submit the ATR to the Designated Body within the time stipulated by the Designated Body.

• The Designated Body may seek clarification on the ATR submitted by the Entity for the first review. The concerned Entity shall provide clarification to the respective Designated Body, wherever sought and within such timeline, as the Designated Body may stipulate. The Designated Body shall stipulate the timeline in such a manner to ensure that the Designated Body submits the revised ATR to the complainant on SCORES within 10 calendar days of the review sought.

Second Review of the Complaint:

• The complainant may seek a second review of the Complaint within 15 calendar days from the date of the submission of the ATR by the Designated Body. In case the complainant is satisfied with the ATR provided by the concerned Designated Body or complainant does not choose to review the Complaint within the period of 15 calendar days, the Complaint shall be disposed on SCORES.

• In case the complainant is not satisfied with the ATR provided by the Designated Body or the concerned Designated Body has not submitted the ATR within 10 calendar days, SEBI may take cognizance of the Complaint for second review through SCORES.

General provisions regarding investor grievance redressal

• Investors shall first take up their grievances for redressal with the entity concerned, through their designated persons/officials who handle issues relating to compliance and redressal of investor grievances.

• In order to enhance ease, speed and accuracy in the redressal of grievance, the investor may lodge the Complaint against any Entity on SCORES within a period of 1 year from the date of occurrence of the cause of action, where: o The complainant

has approached the Entity for redressal of the complaint and the Entity has rejected the complaint or the complainant has not received any communication from the concerned Entity; or o The complainant is not satisfied with the reply received or the redressal by the concerned Entity.

- If any complaint filed on SCORES beyond the limitation period specified above, SEBI may reject such complaint.

- In cases where investors raise issues, which require adjudication on any third party rights, on questions of law or fact or which is in the nature of a lis between parties, or if investors are not satisfied with disposal on SCORES post SEBI review, they shall seek appropriate remedies through the Online Dispute Resolution mechanism in securities market. In addition, investors have the option to approach legal forums including civil courts, consumer courts etc.

- Investors can approach the Online Dispute Resolution mechanism or other appropriate civil remedies at any point of time. In case the complainant opts for Online Dispute Resolution mechanism or other appropriate civil remedies while the complaint is pending on SCORES, the complaint shall be treated as disposed on SCORES.

For details:

https://www.sebi.gov.in/legal/circulars/sep2023/redressal-ofinvestor-grievancethrough-the-sebicomplaint-redressalscores-platform-andlinking-it-to-onlinedispute-resolutionplatform_77159.html

9) 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 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>

10) 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 sub-section (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=f1A9%252BFLpJeScxnEXI0xncQ%253D%253D&type=open>

11) 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)

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>

Note: Students appearing in June, 2024 Examination should also update themselves on all the relevant Notifications, Circulars, Clarifications, Orders etc. issued by MCA, SEBI, ICSI & or other authority till November 30, 2023.

12) 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 GIFTIFSC 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:

(1)<https://www.mca.gov.in/bin/dms/getdocument?mids=qcIDsiX0Le%252F2EMv7m1iyEw%253D%253D&type=open>

(2)<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1999154>

13) Framework for Offer for Sale (OFS) of Shares to Employees through Stock Exchange Mechanism (January 23, 2024)

In order to enhance efficiency, ease of compliance and reduce cost, SEBI has prescribed the framework where promoters can also offer the shares to employees in OFS through the Stock Exchange Mechanism. The existing procedure of OFS to employees of the eligible company is happening outside the stock exchange mechanism. Vide this circular it is provided that the promoters of eligible companies shall be permitted to sell shares within a period of 2 (two) weeks from the OFS transaction to the employees of such companies.

The promoters may at their discretion offer these shares to employees at the price discovered in the said OFS transaction or at a discount to the price discovered in the said OFS transaction. The provisions of this circular shall come into effect from 30th day of issuance of this circular.

For details: https://www.sebi.gov.in/legal/circulars/jan-2024/framework-foroffer-for-sale-ofs-ofsharesto-employeesthrough-stock-exchangemechanism_80842.html

14) 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:-

Rule 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 application, e-Forms or documents as specified under Companies (Registration Offices and Fees) Amendment Rules, 2024.

For details:

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

15) SEBI (Research Analysts) (Amendment) Regulations, 2024 (Notification No. SEBI/LADNRO/GN/2024/170 dated April 26, 2024)

For the purpose of the grant of certificate SEBI shall take into account all matters which are relevant to the grant of certificate of registration to the research analyst and in particular SEBI shall take into account all matters stated in regulation 6 of the SEBI (Research Analysts) Regulations, 2014. In this regard, SEBI vide this notification has inserted a new clause (xi) in Regulation 6 of the SEBI (Research Analysts) Regulations, 2014 which provides that: “(xi) whether the applicant is enlisted with a body or body corporate recognised under regulation 14. Provided that the existing research analysts and research entities shall be deemed to be enlisted with such a body or body corporate from the date of recognition of such a body or body corporate.

Provided further that the applicant whose application is received before the date of recognition of the body or body corporate as provided under regulation 14 and who is granted the certificate after the date of recognition of such body or body corporate shall also be deemed to be enlisted with such a body or body corporate.” Further, Regulation 14 on Recognition of body or body corporate for regulation of research analysts has been replaced with the following: “Recognition of body or body corporate for administration and supervision of research analysts.

14. (1) The Board may recognize a body or body corporate for the purpose of administration and supervision of research analysts to such extent and on such terms and conditions as may be specified by the Board.

(2) The Board may specify that no person shall act as a research analyst unless such a person is enlisted with the recognized body or body corporate and in such an event, the provisions of these regulations and the specified provisions of the bye-laws or articles of such a body or body corporate shall apply to the research analyst.”

For details:

[https://egazette.gov.in/\(S\(514ebahev23ytpl3kfjllrlc\)\)/ViewPDF.aspxhttps://egazette.gov.in](https://egazette.gov.in/(S(514ebahev23ytpl3kfjllrlc))/ViewPDF.aspxhttps://egazette.gov.in)

16) Framework for administration and supervision of Research Analysts and Investment Advisers (Circular No. SEBI/HO/MIRSD/MIRSD-SEC-3/P/CIR/2024/34 dated May 02, 2024)

In terms of Regulation 38A of the 'SECC Regulations' notified on April 26, 2024, a recognised Stock Exchange may undertake the activities of administration and supervision over specified intermediaries on such terms and conditions and to such an extent as may be specified. Accordingly, Stock Exchange shall now be recognised as Research Analyst Administration and Supervisory Body (RAASB) and Investment Adviser Administration and Supervisory Body (IAASB) under Regulation 14 of the SEBI (Research Analysts) Regulations, 2014 and SEBI (Investment Advisers) Regulations, 2013 for administration and supervision of Research Analysts ('RAs') and Investment Advisers ('IAs') respectively.

For recognition of a recognised stock exchange as RAASB and IAASB, an entity must have minimum 15 years of existence as a recognised stock exchange. Further, the stock exchange must have a Minimum net worth of Rs 200 crore and have nation-wide terminals. The core functions relating to registration, enforcement action and disciplinary or penal action shall remain with SEBI and SEBI shall continue to register IAs and RAs as per the mandate given under the SEBI Act, 1992. The detailed framework for RAASB and IAASB is specified in Annexure I to this circular which shall become effective on July 25, 2024.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/framework-for-administrationandsupervision-of-research-analysts-and-investment-advisers_83145.html

17) Periodic reporting format for Investment Advisers (Circular No. SEBI/HO/MIRSD/MIRSD-PoD-2/P/CIR/2024/38 dated May 07, 2024)

SEBI has recognized Investment Advisers Administration and Supervisory Body ("IAASB") for the purpose of administration and supervision of Investment Advisers ("IAs") under regulation 14 of the IA Regulations. At present, the IAASB has been seeking reports from IAs on an ad-hoc basis. It is decided to specify a standardized format for periodic reporting for IAs. IAs shall submit periodic report for half-yearly periods ending on September 30 and March 31 of every financial year. IAs shall submit the periodic report for the half-yearly period ending on March 31, 2024 to IAASB within a period of fifteen days from the date of issuance of circular by IAASB. For the subsequent halfyearly periods, IAs shall submit periodic reports within seven working days from the end of the half-yearly period for which details are to be furnished.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/periodic-reporting-format-forinvestment-advisers_83230.html

18) SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2024 (Notification No. SEBI/LAD-NRO/GN/2024/178 dated May 17, 2024)

In order to facilitate ease of doing business for companies coming for IPOs / fund raising, SEBI has amended the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and notified SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. The amendments, inter alia, have been made in respect of the following:

- Promoter group entities and non-individual shareholders holding more than five percent of the post-offer equity share capital to be permitted to contribute towards minimum promoters' contribution (MPC) without being identified as a promoter.

- Doing away with the requirement of one percent security deposit in public/rights issue of equity shares.

- Flexibility in extending the bid/offer closing date on account of force majeure events by minimum one day instead of present requirement of minimum three days.

For details:

https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-ofindia-issue-of-capital-and-disclosure-requirements-amendment-regulations2024_83469.html

19) SEBI (Buy-Back of Securities) (Amendment) Regulations, 2024 (Notification No. SEBI/LAD-NRO/GN/2024/180 dated May 17, 2024)

Securities and Exchange Board of India, on May 17, 2024, notified the SEBI (Buy-Back of Securities) (Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, the amendments have been made in Regulation 19 and Regulation 22B of the SEBI (Buy-Back of Securities) Regulations, 2018. It is provided that for determination of the volume weighted average market price under Regulation 19 and for calculation of the lower end of the price range under Regulation 22B, the effect on the price of the equity shares of the company due to material price movement and confirmation of reported event or information may be excluded as per the framework specified under Regulation 30(11) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For details: https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-ofindia-buy-back-of-securities-amendment-regulations-2024_83474.html

20) SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2024 (Notification No. SEBI/LAD-NRO/GN/2024/179 dated May 17, 2024)

Securities and Exchange Board of India, on May 17, 2024, notified the SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, the

amendments have been made in Regulation 8 and Regulation 9 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. It is provided that for determination of the offer price under Regulation 8 and for determination of the price of equity shares under Regulation 9, the effect on the price of the equity shares of the target company due to material price movement and confirmation of reported event or information may be excluded as per the framework specified under Regulation 30(11) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For details: https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-ofindia-substantial-acquisition-of-shares-and-takeovers-amendment-regulations2024_83472.html