

Editorial

With the AGM season ending, the secretarial team can take a breather from the continued efforts of working towards the AGM documentation and procedure. The Annual General Meeting, being a yearly event is the focal point of the secretarial functions of any Company. It gives the shareholders a platform to express their concerns and put forward the same with the Directors of the Company.

In this backdrop, this newsletter contains an article on the Annual General Meeting, the regulatory requirements and the procedural aspects involved.

We have also included couple of interesting sections in the newsletter such as engaging quizzes and brain teasers.

Our other regular features comprising of Gist of Changes in the Companies Act, 2013, SEBI's LODR, 2015 and IB Code, 2016, latest enhancements to our software and Statutory Compliance Calendar for the month of October 2023 are also included in this Issue.

Please share your feedback on this newsletter with us at contact@cimplyfive.com, we eagerly look forward to it.

Happy reading,
Team CimplyFive
October 05, 2023

What's more in this month's issue.

- ***What is Hot in Company Law?***
- ***Article for the Month***
- ***BLISS Tips for the Month***
- ***Test your Grey Matter!***
- ***Compliance Calendar***
- ***Regulatory Changes in the Month***

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OPINION:

What is Hot in Company Law?

Our free to use website www.ca2013.com has the unique distinction of providing an integrated view of the Companies Act, SEBI (LODR) and IB code. Our site has crossed **32 million page-views** as on date and attracts over 6,000 users accessing around 25,000 pages a day. List of the most viewed sections in the Companies Act, LODR and IB Code in the month of September 2023 here is based on visitors to our site.

For the Month of September 2023
Companies Act, 2013 Top 5 Chartbusters

Rank in August	Change in Rank	Rank in September	Section reference	Section title
1	↔	1	134	Financial statement, Board's report, etc
3	↑	2	188	Related party transactions
4	↑	3	135	Corporate Social Responsibility
2	↓	4	179	Powers of Board
N	↑	5	186	Loan and investment by company

Section 62 has been replaced with section186 in top 5 Rankings.

LODR Top 5 Chartbuster Regulations

Rank in August	Change in Rank	Rank in September	Regulation reference	Regulation Title
1	↔	1	30	Disclosure of Events or Information
3	↑	2	17	Board of Directors
4	↑	3	23	Related Party Transactions
N	↑	4	44	Meetings of shareholders and voting
2	↓	**5**	34	Annual Report

Regulation 2 has replaced with Regulation 44 in top 5 rankings.

IB Code Top 5 Chartbusters

Rank in August	Change in Rank	Rank in September	Section reference	Section title
2	↑	1	5	Definitions
3	↑	2	3	Definitions
1	↓	3	59	Voluntary liquidation of corporate persons
5	↑	4	7	Initiation of corporate insolvency resolution process by financial creditor.
N	↑	5	60	Adjudicating Authority for corporate persons.

Section 30 have been replaced with Section 60 in the top 5 Ranking.

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Article of the Month:

'Annual General Meeting (AGM)'

Introduction:

What is an AGM?

An Annual General Meeting (AGM), as the name suggests is a yearly event inviting all the shareholders and stakeholders of the company, to participate in the achievement of the company's growth. An opportunity for the board of directors and key managerial personnel to report on the company's financial performance, operational status, strategies implemented and the future of the company by presenting an annual report to its shareholders.

An annual general meeting, or annual shareholder meeting, is primarily held to show the rights of each shareholder to take part on both company issues and the selection of the company's board of directors through casting vote.

Regulatory checks to hold an AGM

As stated in the Section 96 of the Companies Act, 2013, a company's first AGM (other than one person company) should be held within nine months from the end of the first financial year. However, in any other case, the AGM should be held within six months from the end of the financial year and the gap between AGMs of 2 consecutive years shall not be more than 15 months. On prior intimation to the Registrar, for any special and valid reason, the Registrar may grant an extension of the time not exceeding three months. This extension shall not be applicable for the first AGM of the Company.

Notice

21 days clear notice needs to be given to the stakeholders mentioning the place, the date and day of the meeting, and the hour at which the meeting is scheduled. The notice should also mention the business transactions to be discussed at the AGM along with the map of the meeting location for easy access.

An AGM can be called at a notice period shorter than 21 days if at least 95% of the members entitled to vote in the meeting agree to the shorter notice. The consent may be given in writing or through electronic mode.

Quorum-

In the case of a private company	In the case of a public company	
2 members physically present	• If the number of members is within 1000	5 members
	• If the number of members is more than 1000 but within 5000	15 members
	• If the number of members is more than 5000	30 members

In the absence of quorum within half an hour from the scheduled time, the meeting will be adjourned to the same day, date and time in the following week .

In addition to the above-mentioned requirements, a listed company is required to file a report on the AGM in form MGT-15 within 30 days of the conclusion of the AGM.

Common Business transactions:

The below mentioned transactions are classified as ordinary business for discussion an AGM :

- Consideration and adoption of the audited financial statements.
- Consideration of the Director's report and auditor's report.
- Dividend declaration to shareholders.
- Appointment of directors to replace the retiring directors.
- Appointment of auditors and deciding the auditor's remuneration.

Apart from the above ordinary business, any other business may be conducted as a special business of the company.

The ordinary business of the company will be passed by an ordinary resolution where the votes cast in favor are more than the votes cast against the resolution.

However, in case of special business transactions, the resolution may be passed as an ordinary resolution or a special resolution, depending on the applicable legal provisions. A special resolution requires at least 75% votes in favor of the resolution.

Rights:

The members (including shareholders) of the company are entitled to attend and vote at the AGM. Members can cast their votes by show of hands, physical ballot, postal ballot or through e-voting. Members can appoint proxies to attend an AGM and vote on their behalf. The proxy should be appointed in writing, and the proxy form should be signed by the member.

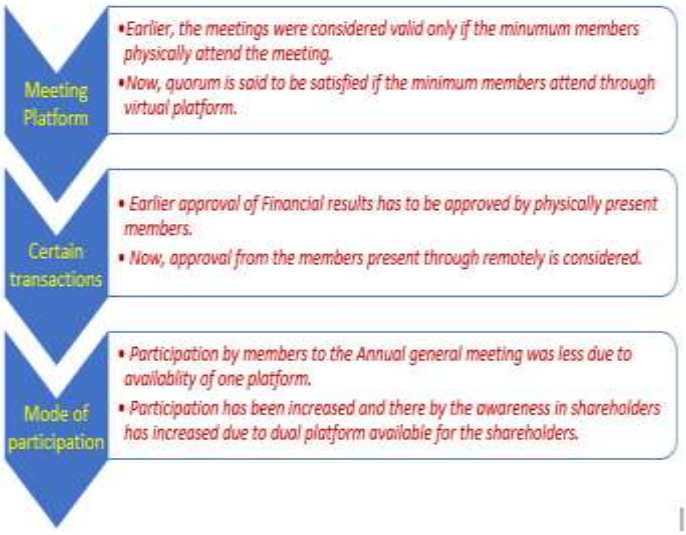
In case the proxy is appointed by a corporate shareholder, the proxy form must be signed and sealed by an authorized signatory of the corporate. The members can elect one among themselves as the chairman of the meeting. However, if the articles of association of the company provide for a chairman, such person shall chair the AGM of the company.

Change in Trends:

Originally, the AGM was required to be conducted at the registered office of the company or at some other place within the city, town, or village where the registered office of the company is situated during business hours i.e., 9 a.m. to 6 p.m. on any day except a national holiday.

A government company, however, can also hold its AGM at any other place as the Central Government may approve.

In case of Unlisted company annual general meeting may be held at any place in India if consent is given in writing or by electronic mode by all the members in advance.



As per our study conducted for the India Secretarial Practice Report, 2022, for the financial year ended March 31, 2022, 48 of the 50 Nifty50 Companies conducted their AGMs virtually, thereby promoting greater participation of the shareholders in the meeting.

What is e-Vote?

E-Voting is a digital infrastructure that enables the shareholders to vote electronically on multiple resolutions of a company. Shareholders can vote from anywhere and at any time during the voting period. This system of voting replaces the postal ballot process, where a notice was sent to each of the shareholders to give their assent or dissent. The voting rights of the members shall be in proportion to their shares held on a certain date.

With e-voting in place, it saves a lot of cost and time. The voting period is usually completed three days before the date of AGM. And e-voting shall remain open for at least one day and a maximum of three days.

Generally, small shareholders stayed out from participating in the corporate actions and other resolutions while at the AGM of a company. But every shareholder irrespective of the number of shares held by him or her, has the right to vote.

Considering the above fact that it is impossible for the shareholders of the company to be present physically for every general meeting, owing to the time and travel effort involved, "Passing of Resolutions by Postal Ballot" was introduced under section 192A of Companies Act,

1956 read with The Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

And now in this era where the technology is taking over, the Companies Act, 2013 has introduced new provision, to make voting more comfortable with transparency through electronic means under Section 108 read with Companies (Management and Administration) Rules, 2014 wherein it states that every listed company or a company having not less than one thousand shareholders, shall provide to its members facility to exercise their right to vote at general meetings by electronic means.

The e-voting platforms of NSDL and CDSL allow shareholders to register for e-voting on their websites and cast their votes.

Conditions to be eligible to Vote:

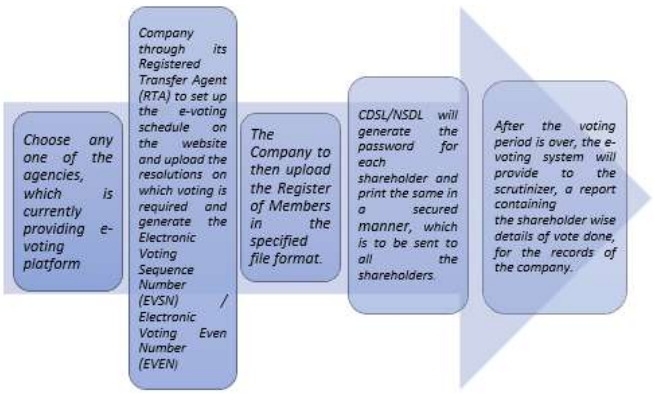
The only condition for them to be eligible for e-voting is that they should be shareholders of the company on the 'record date' fixed by the company and those holding shares in the physical mode are also entitled to e-vote.

In the case of joint shareholders, the e-vote can only be cast by the first holder, which will be recognized on behalf of all the joint holders.

However, since the virtual meetings provide the flexibility to attend the AGM from anywhere, the option to appoint a proxy to vote on the shareholder's behalf has not been enabled.

Process of e-voting-For the company:

Every listed company or a company having not less than one thousand shareholders shall:



Advantages of e-Voting:

To the Company/Registrar and Share Transfer Agents:

1. Reduction in cost and paperwork.
2. No need to store physical ballot papers.
3. Accurate counting of votes.
4. Declaration of results in a timely manner.
5. A lot of time is saved as there is no need to verify the signatures.

To the Shareholders:

1. Invalid votes cannot be casted.
2. Voting can be done from anywhere and votes won't be lost in transit.
3. Sufficient time will be available for voting as vote can be casted even on the last day.
4. Voting can be done for different companies at the same time.
5. Increase of transparency.
6. Increase of participation in the decision-making process.

Disadvantages of e-Voting:

1. There may be a chance of misuse of user ID and Password of the shareholders, if it is fallen into wrong hands. It must be ensured that the entire process of e-voting is not subject to any kind of manipulation.
2. Lack of awareness among the shareholders about the new process of e-voting.
3. Correct Data of Shareholders will have to be provided by the Registrar and Share Transfer Agents or the Company to the agency providing e-voting platform otherwise a shareholder may not get his user ID and password and thus may not be able to cast his vote.
4. No option is available to the shareholders to modify the casted vote.

Steps on How to e-vote

Step 1: To cast your vote as a shareholder,

Step 2: The Member will receive an email from NSDL/CDSL on your email id registered and/or SMS on your mobile.

Step 3: Visit the e-Voting website of NSDL/CDSL and click on first tab on the 'Shareholder/Member' login button.

Step 4: Log in with your user ID, password and verification code (displayed on the screen). This is followed by verification via OTP received in your registered mobile number or email address.

Info: *The user ID and password would slightly vary depending on the Demat account held with depositories and physical shares held. So, for that Demat account with NSDL, the user ID is an eight-digit DP ID followed by an eight-digit client ID. For those who hold shares in Demat with CDSL, it is the 16-digit beneficiary ID.*

For those who hold physical shares, EVEN (electronic voting even number) followed by folio number registered will be the user ID. For instance, if the folio number is 001338 and EVEN is 101456 then the user ID is 101456001338.

Alternatively, if you have already registered for NSDL/CDSL, you can log in with your existing credentials to cast your vote.

Step 4: After successful authentication you would login inside the e-Voting page. Click on e-Voting tab. Then, click on Active Voting Cycles/VC Or OAVM option.

Why e-vote?

In recent years, shareholders have shown their willingness to get involved in the company's internal operations. This includes opposing moves that they feel are unfair or not in the best interest of the company's future. All this was possible through their voting rights.

Thus, e-voting was looked upon as one of the key tools in keeping companies on track in terms of compliance and to have good corporate governance. It also helps in keeping the best interest of the company's investors.

Conclusion:

Even for the current AGM it is allowed to be conducted through virtually. Overall, virtual AGMs are slowly taking over physical AGMs and electronic voting has replaced the Postal ballot process thereby saving time and cost incurred to the company. It also helps the shareholders to attend the meeting and cast their vote from anywhere and at any time. In the e-voting process, role of scrutinizer will go under paradigm shift as there will be no physical collecting and counting of ballot papers, verification of signatures and rejection of invalid votes, if any. In this manner, due to the shift in trends, greater participation and contribution from the shareholders is being ensured leading to transparency and good corporate governance.

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BLISS Tips for the Month

BLISS Tips #275: With BLISS, e-mail Draft and Final Minutes separately.

BLISS enables the user to email Draft and Final Minutes separately to the Directors and KMPs and automatically preserves all the versions with their Proof of Dispatch and Delivery. It facilitates the sender in selecting the email IDs from an auto-created check-box and drop-down list, based on the email IDs entered in the respective Registers, i.e., Register of Directors & KMP for Board/ Sub-Committee Meetings.

Further, to avoid inadvertent sending of emails to unauthorised recipients, the tool requests for the sender's confirmation w.r.t. the recipients' email IDs along with the number of recipients.

The Proof of Dispatch and Delivery captured in the '*Records*' section in BLISS helps the user in ensuring that the Draft and Final Minutes have been circulated within the due timeline.

To view the detailed steps on how to e-mail Draft and Final Minutes separately, Click here.

BLISS Tips #276: With BLISS Email toggle button, restrict the access of sending secretarial documents.

With BLISS, the secretarial documents can be sent by the users via email to the Directors and KMPs, and all versions of these emails with their Proof of Dispatch and Delivery are automatically preserved in BLISS. Each Company is allocated with 20 users spread across 9 defined roles and hence customizable rights.

For instance, a user with Admin rights can perform all the functions. User with Editor role can create and finalize Agenda and Minutes, update Registers and Action Trackers. Similarly, Drafter can only create, save, and view the data.

In addition to this, the functionality also enables the user with Admin rights to restrict the email sending capability for both Drafters and Editors. This way, it can be ensured that the secretarial documents are being mailed only by the users who have the authority to do so and maintain control over such documents.

Click here to know the different types of users in BLISSPLUS and how to restrict the authority to mailing the documents.

Click here to know the different types of users in BLISSLISTED and how to restrict the authority to mailing the documents.

Click here to know how to edit/ delete templates for meeting documents.

Test your Gray Matter!! Take our Quiz and Brain teasers to find out!

1. **Books and papers seized by the Registrar pursuant to an order received from the Special Court shall be returned to the Company within _____ days of such seizure**
   a. 30 days
   b. 180 days
   c. 60 days
   d. 365 days

2. **Fast-track merger under section 233 of the Companies Act, 2013 is not applicable to which of the following cases:**
   a. Holding company and its partially-owned subsidiary
   b. Two or more small companies
   c. Two or more startup companies
   d. One startup company with one small company

3. **The right to apply to the Tribunal in case of oppression in case of company having share capital lies with _____**
   a. 100 members or 1/10th of total number of members, whichever is lesser
   b. 100 members
   c. Members holding not less than 1/10th of subscribed share capital of the company

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d. 1/5th of total number of members

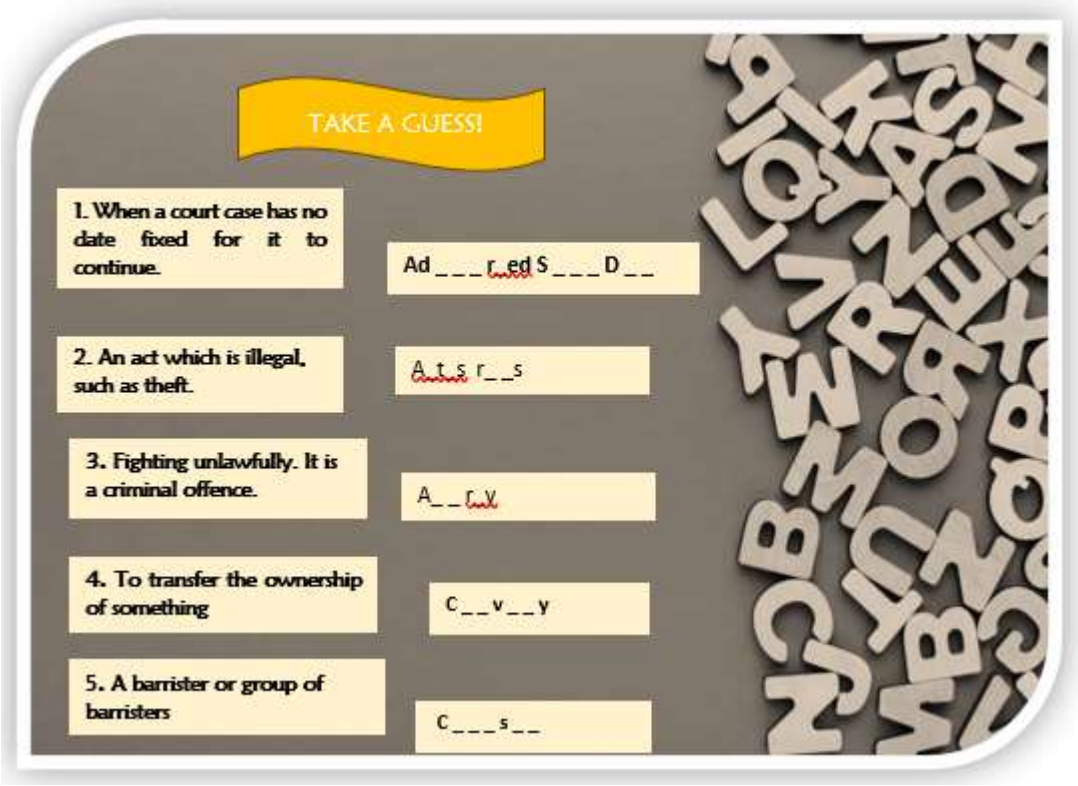
4. Which of the following companies can contribute directly or indirectly to any political party:

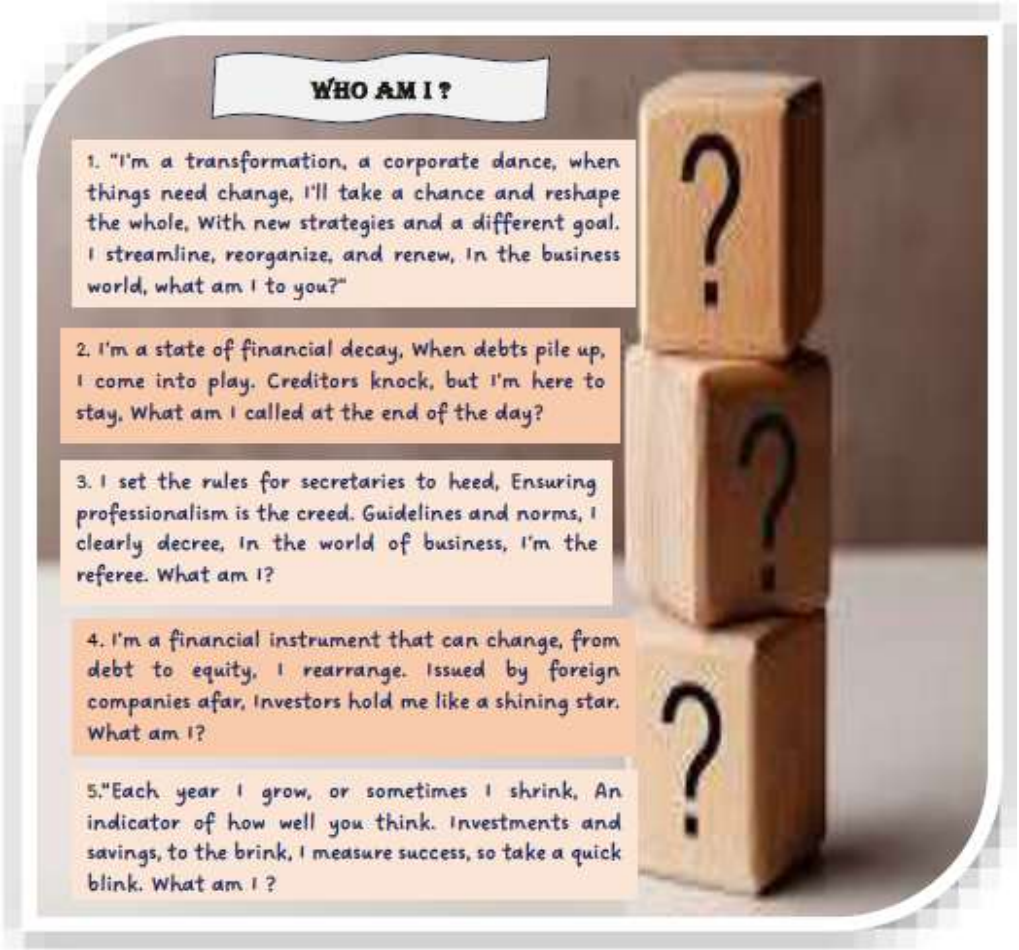
a. Government Company
b. Company in existence for more than 3 years
c. Company in existence for less than 2 years
d. None of the above

5. President of the National Company Law Tribunal shall hold office until he attains the age of:

a. 65 years
b. 75 years
c. 60 years
d. 67 years

Brain Teasers





Board Leaders Integrated Software Solutions



BLISSPLUS

BLISS is a Cloud hosted software that automates the routines, provides an e-repository, timely alerts, and a real-time dashboard, all aimed at ensuring compliance and good corporate governance. By doing so, it provides complete peace of mind to the Board of Directors and assurance to professionals by providing them with real-time compliance status with respect to the Companies Act, 2013

BLISSPLUS is an advanced variant of BLISS with multiple premium features like Directors view, facility to store past Secretarial records, automated compliance tracker for size- based compliance under the Companies Act, 2013

BLISS LISTED

BLISSLISTED An advanced variant of BLISSPLUS for Listed Companies with Companies Act,2013 and SEBI's LODR 2015 compliances integrated to provide a single point compliance automation, risk manager & e-repository for secretarial records including past secretarial records.

BLISSGLOBAL

BLISSGLOBAL is a cloud hosted key document management solution with Action Tracker that provides master data capture of the entity, e-repository for document management, Automated Tracker for managing event based and calendar-based activities.

BLISSDOCS

BLISSDOCS is an Android/IOS based Board app for Directors which provides secure access to Board documents on Tablets/mobile phones, enhancing Directors productivity and making the Board meetings efficient & effective

CIMPLYBEST

CimplyBest is a tailormade software for Indian Corporates in conducting Corporate Board Evaluation which will optimize Board's Time & Effort with confidentiality assured.

BLISSTAT

BLISSTAT is a cloud hosted custom built software to automate Direct Tax assessment processes and provide a comprehensive action tracker enabling workflow automation with a e-repository for storing all tax assessment records.

CAIRR LODR Integrated

CAIRR is a free to use website from CimplyFive that provides at your fingertips, an integrated view of the Companies Act, 2013, IB Code, 2016 and LODR, 2015. The site and app is updated every business day by 11 AM for changes in the Act & Regulations. For more details, please visit www.ca2013.com

Compliance Calendar for the month of October 2023

Compliances for Companies under Companies Act, 2013			
Sl. No.	**Compliance Requirement**	**Section/ Rules**	**Due Date**
1.	Form AOC-4	137	Within 30 days of holding the Annual General Meeting
2.	Form CSR-2	135,137 and Rule 12 of Companies (Accounts) Rules,2014	Addendum to AOC-4/AOC-4 XBRL
3.	Form MGT-15- Report on AGM for Listed Companies	121 and Rule 31(2) of the Companies (Management and Administration) Rules 2014	Within 30 days of holding the Annual General Meeting
4.	Form MSME -1 for the half year April 2023 to September 2023	Companies (Furnishing of information about Payment to Micro and Small Enterprise Suppliers) Order, 2019	October 31, 2023
5.	Form ADT-1	139	Within 15 days of appointment of the auditor
SEBI (LODR) Regulations, 2015 Compliances			
Sl. No.	**Compliance requirement**	**Regulation reference**	**Timeline**
1.	Investor Complaints Statement	13(3)	Within 21 days of end of quarter- October 21
2.	Corporate Governance Report	27(2)(a)	Within 21 days of end of quarter- October 21
3.	Shareholding Pattern	31(1)(b)	Within 21 days of end of quarter- October 21
4.	Reconciliation of Share Capital Audit Report (SEBI (Depositories and Participants) Regulations, 2018	76	Within 30 days of end of quarter- October 30
5.	Disclosure of Related Party Transactions for the half year ended September 2023	23(9)	On the date of publication of standalone and consolidated financial statements
SEBI (PIT) Regulations, 2015			
Sl. No.	**Compliance requirement**	**Regulation reference**	**Timeline**
1	Continual Disclosures by Every promoter, and director of every company shall disclose to the company number of securities acquired or disposed, if the value of the	7(2)	Within two trading days of receipt of the disclosure or from becoming aware of such information

	securities traded, in a calendar quarter, exceeds traded value in excess of 10 Lac		
2	SDD Compliance Certificate or a Practicing Company Secretary (PCS).	BSE's notice no. 20221028-15 and 20221028-16 dated 28th October, 2022	21 days from end of each quarter
SEBI (SAST) Regulations, 2011			
Sl. No.	**Compliance requirement**	**Regulation reference**	**Timeline**
1.	Any acquirer who acquires shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, aggregating to 5% or more of the shares of such target company, shall disclose their aggregate shareholding and voting rights in such target company.	29(1)	Within 2 Working days of receipt of intimation of allotment of shares, or the acquisition of shares or voting rights in the target company
2.	Any acquirer, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose every acquisition or disposal of shares of such target company representing two per cent or more of the shares or voting rights in such target company.	29(2)	within two working days of the receipt of intimation of allotment of shares, or the acquisition of shares or voting rights in the target company
3.	The Promoter shall disclose details of shares in such target company encumbered by him or by PAC's with him in such form as may be specified.	31(1)	Within 7 working days from the creation of encumbrance
4.	A Promoter shall disclose details of invocation of such encumbrance or release of such encumbrance of shares in such form as may be specified.	31(2)	Within 7 working days from the invocation or release of encumbrance as the case may be

Compliances for LLPs under Limited Liability Partnership Act, 2008

SL	COMPLIANCE REQUIREMENT	REGULATION REFERENCE	TIMELINE
1.	Form LLP-8	34(3)	October 30

Gist of regulatory changes in Companies Act, 2013, SEBI (LODR), 2015 and Insolvency & Bankruptcy Code, 2016 in the month of September 2023

- **18-09-2023**

IBBI Notifies Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2023 & Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2023.

- IBBI through the notification dated 18/09/2023 amends the existing Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016. The key highlights of the notification are as below:

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2023

- While filing an application under section 7 or 9, the financial creditor/operational creditor shall also submit along with evidence, chronology of the debt and default including the date when the debt became due, date of default, dates of part payments & the date of last acknowledgment of debt and the limitation applicable.

- Insertion of Regulation 3A: Assistance and Co-operation by the personnel of corporate Debtor:

- The interim resolution professional('IRP') or resolution professional('RP') shall take custody and control from the personnel of the corporate debtor, its promoters management with respect to the records of information of the assets, finances and operations of the corporate debtor.

- The personnel of the corporate debtor as referred above, shall hand over a list of assets and records while handing over their custody and control to the Resolution Professional and he shall identify person in whose possession these assets and records will be held and where such list has not been handed over, the RP shall himself prepare a list of assets and records. He shall also requisition the information relating to the assets, finances and operations of the corporate debtor referred in Section 18(a), 18(f) and such information required under regulation 36 which were required to be maintained by the corporate debtor but have not yet been handed over.

- Each list of assets and records shall be signed by the parties present and by at least two individuals who have witnessed the act of taking control and custody of such assets and records.

- An application made under in respect of failure to provide any asset or record as requisitioned under the Code and this regulation, shall show presence of such asset or record in the notice of requisition and absence of such asset or record in the list of assets and records taken in control and custody.

- The timeline for the submission of the proof of claims by the creditors who fails to submit claim with proof within the time stipulated in the public announcement, has been revised. The creditor, may now submit his claim with proof to the IRP/RP, as the case may be, up to the date of issue of request for resolution plans or ninety days from the insolvency commencement date, whichever is later and the creditor shall provide reasons for delay in submitting the claim beyond the period of ninety days from the insolvency commencement date.

- Where the IRP/RP, does not collate the claim after verification, he shall provide reasons for the same and in the event that claims are received after the date mentioned in the Public Announcement and up to seven days before the date of meeting, the IRP/RP, shall verify all such claims and categorise them as acceptable or non-acceptable for collation and shall intimate the creditors regarding the

reasons of such categorization within 7 days. Additionally, he shall put up the claims categorised as acceptable to him to the committee in its next meeting for its recommendation for inclusion in the list of creditors and its treatment in the resolution plan and submit such claims before the Adjudicating Authority for condonation of delay and adjudication wherever applicable.

- The financial creditors in a class, representing not less than 10% voting share may seek replacement of the authorised representative with an insolvency professional of their choice by making a request to the IRP/RP who shall announce a voting window open for at least twenty-four hours. He shall offer the choice of at least 3 Insolvency Professionals to the financial creditors along with the existing authorised representative and shall further apply to the adjudicating authority for appointment of the authorised representative who receives the highest percentage of voting share of financial creditors in that class.

- The notification also provides for revised fees to be paid to the authorized representative of the creditors per meeting of the committee attended by him and has introduced fees payable to the authorised representative per meeting of the creditors convened by him. In addition to this, responsibilities of the authorised representative have been provided for.

- The payment of fee to authorised representative shall be part of insolvency resolution process cost in respect of two meetings with the creditors he represents and the fee for any additional meeting beyond two shall be part of insolvency resolution process cost subject to approval of committee of creditors.

- In the event a creditor assigns or transfers the debt due to such creditor to any other person during the insolvency resolution process period, the terms of such assignment or transfer and the identity of the assignee or transferee shall be provided to the IRP/RP within seven days.

- A provision for the Audit of the debtor has been introduced wherein any member of the committee may propose an audit of the corporate debtor along with the objectives, scope, estimate of the costs, timeframe, and names of the proposed auditor. If approved by the committee, the audit shall be conducted by an insolvency professional having qualifications required for such audit and he shall prepare a report detailing his findings and same shall be presented before the committee.

Insolvency and Bankruptcy Board of India (Model Byelaws and Governing Board of Insolvency Professional Agencies) Regulations, 2023

- An individual or an insolvency professional entity may apply for enrolment as a professional member by applying in Part–I of Form A and Part–I of Form AA, respectively, of the Second Schedule to IBBI (Insolvency Professionals) Regulations, 2016, in such manner and with such fees as may be specified by the Agency and the acceptance of the application shall be communicated to the applicant, along with a certificate of membership within sixty days of receipt of the application.

- The Agency may refuse to accept the surrender of membership by any professional member if there is grievance or disciplinary proceeding pending against it before the Agency or the Board or it does not comply with requirements, as on the date of application for surrender of professional membership as enumerated in the Schedule or it has been appointed as an interim resolution professional, resolution professional, liquidator or authorised representative or bankruptcy trustee for a process under the Code, or the appointment of another insolvency professional may be detrimental to such process.

- Grounds for expulsion of the member have been amended for the agency to additionally consider factors provided in clause 29 of the Schedule.

IBBI Notifies Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2023.

IBBI amends the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016. The key highlights from the notification are as below:

1. To be eligible for the enrolment with the insolvency professional agency, the applicant shall now be required to complete the existing pre-registration course within twelve months from the date of payment of fee along with the application for the certificate of registration in Part - II of Form A. Meanwhile, an Insolvency Professional ("IP") entity shall make an application through the IP agency in Part - II of Form AA. Upon receipt of the same, the IP agency shall verify and forward the application to the Board within thirty days from the date of payment of fee.

2. The time granted for the grant of certificate of registration has been reduced from 60 days to **30 days** of the receipt of the application. The timeline for communicating the reason for not granting the certificate has also been reduced from 45 days to **30 days**.

3. The IP agency shall now be required to inform IBBI when it strikes the names of the members from its register on account of surrender of membership or expels the member or receives intimation of demise of individual and dissolution of Company/LLP/Partnership Firm.

4. An IP may surrender its certificate of registration by making a request to IBBI in writing along with the certificate of registration, the same may be accepted by IBBI within **30 days** of receipt and upon acceptance, the registration shall stand cancelled.

5. Special procedure for action on surrender and expulsion from the membership has been introduced wherein on receipt of such application, it may call for an explanation from the member by serving a notice as to why the certificate of registration should not be cancelled. After receipt, the Board may decide to cancel the registration or issue direction to complete ongoing assignments and communicate the same within **30 days** of receipt of written submission.

6. In case IBBI receives intimation of demise of individual or dissolution of Company/LLP/Partnership Firm, the registration shall be deemed to have been cancelled on the date of Demise/Wind-Up/Dissolution as the case may be. In such events, the legal heirs or assignee of the IP shall take steps for delivery of any records or documents or assets that may be in its custody or control.

7. IBBI has also rolled out **Unified Enrolment and Registration Application** in Form A and Form AA substituting the same with the existing Form A and Form AA respectively.

- **20-09-2023**

SEBI notifies revised mechanism for redressal of Investor Grievances

SEBI has notified the Securities and Exchange Board of India (Facilitation of Grievance Redressal Mechanism) (Amendment) Regulations, 2023 vide notification dated 16/08/2023. The amendment provides for certain entities to redress grievances promptly but not later than 21 days from the receipt. SEBI has now provided for a framework for the same, key highlights of which are mentioned below:

Implementation:

1. The Entities shall submit Action Taken Report ("ATR") to SEBI within 21 calendar days from the receipt of the Complaint.

2. The provisions related to workflow of processing of investor grievances by Entities and framework for monitoring and handling of investor complaints shall be applicable with effect from 04/12/2023 and the designated bodies shall apply for SCORES Authentication and for API integration within such period as to ensure the compliance with these requirements is completed within the due time.

Highlights from framework for handling of investor grievances received through SCORES by Entities and monitoring of the redressal process by designated bodies.

1. All Entities shall review the investors' grievances redressal mechanism from time to time.

2. The complaints lodged on SCORES against any entity shall be automatically forwarded to the concerned Entity for resolution and submission of ATR and shall be simultaneously forwarded to the relevant Designated Body mentioned in Schedule II of this circular.

3. The designated bodies shall monitor the ATRs submitted by the entities under their domain and inform them to improve the quality of redressal of grievances, wherever required and SEBI may concurrently monitor the overall grievance redressal process by entities and Designated Bodies.

4. **First review of the Complaint-** In case complainant is satisfied with the resolution provided by the entity through ATR or does not choose to review it, the same shall be disposed on SCORES. However, if the complainant is not satisfied, he may request for a review of the resolution provided by the entity within 15 calendar days from the date of the ATR and in such case, the Designated Body shall take cognizance of the Complaint for first review of the resolution with the concerned Entity wherever required and then the Entity shall submit the ATR to the Designated Body. Further clarifications also can be sought from the entity if required and then the Designated Body shall submit revised ATR.

5. **Second review of the complaint**- The complainant may seek a second review of the Complaint within 15 calendar days of submission upon which SEBI may take cognizance of the Complaint for second review through SCORES and shall review the same with stakeholders involved. The concerned entity or/and the designated body shall submit revised ATR within the timeline specified by SEBI. The same shall be treated as resolved/disposed or closed only when SEBI disposes or closes' the Complaint in SCORES.

6. **SCORES authentication for intermediaries and market infrastructure institutions (MIIs)-** SCORES user ID and password details shall be sent through auto-generated e-mails to the contact person or compliance officer as mentioned in the online registration form submitted through the SEBI Intermediaries Portal – https://siportal.sebi.gov.in. Detailed procedure for SCORES authentication of companies intending to list their securities on recognized stock exchanges and process for access to the Designated Bodies has also been provided for in the said circular.

7. **Action for failure to redress investor complaints by listed companies-** The action and procedure for failure to resolve complaints placed under Schedule V of the said circular has also been specified which includes levying a fine of ₹ 1000 per day per complaint on the listed company for violation of Regulation 13 (1) of

SEBI (LODR) Regulations, 2015 by the designated Stock exchange.

8. General provisions regarding investor grievance redressal have also been provided as **Annexure II** to the said circular.

2. SEBI Introduces Regulation 62A in LODR provisions.

1. SEBI has stipulated that, entities who have listed their NCDS, shall be required to list on the stock exchange, all the NCDS proposed to be issued on or after 01/01/2024. Further, NCDS made on or before 31/12/2023, if outstanding, may also be listed by the entities. Entity that proposes to list the NCDS on or after 01/01/2024 shall list all outstanding unlisted NCDS previously issued on or after 01/01/2024 within three months from the date of the listing of NCDS proposed to be listed.

2. This shall not be applicable to the Bonds issued under section 54EC of the Income tax Act, 1961, NCDS pursuant to agreements or order of any regulatory authority/court/tribunal etc. However, in such cases, disclosure is to be made to the stock exchange regarding all the key terms of such securities including embedded options, security offered, interest rates, charges, commissions, premium period of maturity and such other details as may be required.

- **25-09-2023**

MCA issues a clarification on holding the AGMs and EGMs through Video Conference or OAVM and passing of the resolutions by the companies.

1. In continuation to the Ministry's general circulars dated 05.05.2020, 28.12.2022, MCA has issued a clarification vide the said Circular to allow the companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30th September 2024. However, the same shall not be construed as an extension and legal action shall be taken for not adhering to the relevant statutory timelines.

2. In continuation to the general circulars dated 08.04.2020, 05.05.2020 and 28.12.2022, the Circular clarifies allowing EGMs to be conducted through VC or OAVM on or before 30th September 2024 or transact items through postal ballot.

- **28-09-2023**

IBBI issues a clarification w.r.t. Liquidators' fee under Regulation 4 (2) (b) of IBBI (Liquidation Process) Regulations, 2016

Pursuant to the provisions of Regulation 4 of the said regulations, the fee payable to the liquidator shall be decided by the Committee of Creditors (CoC) or Stakeholders' Consultation Committee (SCC), as the case may be, if not, the same entitles the liquidator to a fee as a percentage of the amount realized net of other liquidation costs, and of the amount distributed, for the balance period of liquidation.

Due to different interpretations being made, IBBI through this circular has issued the following clarifications-

1. **Amount realized-** The term 'amount realized' to include only the proceeds from the sale/realization from the liquidation of such assets which changes form and not which are already liquid such as cash and bank balance including term deposits, mutual funds, and quoted shares. Such liquid assets which are available on start of the process after exploring compromise and arrangement, if any, to be excluded from the calculation of the 'amount realized'.

2. **Other liquidation costs-** These will include all the components of liquidation cost which are

paid in priority as per Section 53 (1) (a) excluding the liquidator's fee.

3. **Amount distributed to stakeholders-** This amount to be calculated after deducting CIRP and liquidation cost.

4. **Amount of Realization /Distribution-** shall mean cumulative value of amount realized/ distributed which is to be bifurcated in various slabs viz., On the first 1 crore, on the next 9 Crore and so on and thereafter the same is to be bifurcated into realization/ distribution in various periods of time and then corresponding fee rate from the table is to be taken.

5. **Period for calculation of fee-** Any such exclusion of a time period w.r.t. stay by Court on sale of a particular asset, delay in relinquishment by secured credits, etc. for purpose of fee calculation is to be allowed only when the same has been explicitly provided by the Hon'ble NCLT/ NCLAT or any other court of law and will be applicable only for the asset which could not have been realized during the excluded period.

IPs currently handling or have handled in the past any liquidation assignment are required to take note of the fact that the fee they charge is in accordance with the above-mentioned clarifications and inform the same to the Board electronically on the website of IBBI. No disciplinary proceedings will be initiated if any excess fee was charged and has now been returned on or before 31st October 2023.

- **29-09-2023**

BSE & NSE amend the format of the CG Report by including Cyber Security Incidence Disclosure.

Pursuant to the SEBI notification dated **14/06/2023** regarding mandatory inclusion of the details of the cyber security incidents and breaches or loss of data and documents in Company's CG Report, Stock exchanges have notified the format for the submission of the said details and have modified the existing utility of CG report to give effect to the same. The new format shall be applicable from the quarter ended 30/09/2023.

Solution for Quiz:

Q1. B	Q2. A	Q3. A	Q4. B	Q5. D

Solution for Take a Guess:

1.	Adjourned sine die
2.	Actus reus
3.	Affray
4.	Convey
5.	Counsel

Solution for Who am I ? :

1. Corporate Restructuring	2. Bankruptcy
3. Secretarial Standard	4. Foreign Convertible Bond (FCB)
5. Financial Statement	

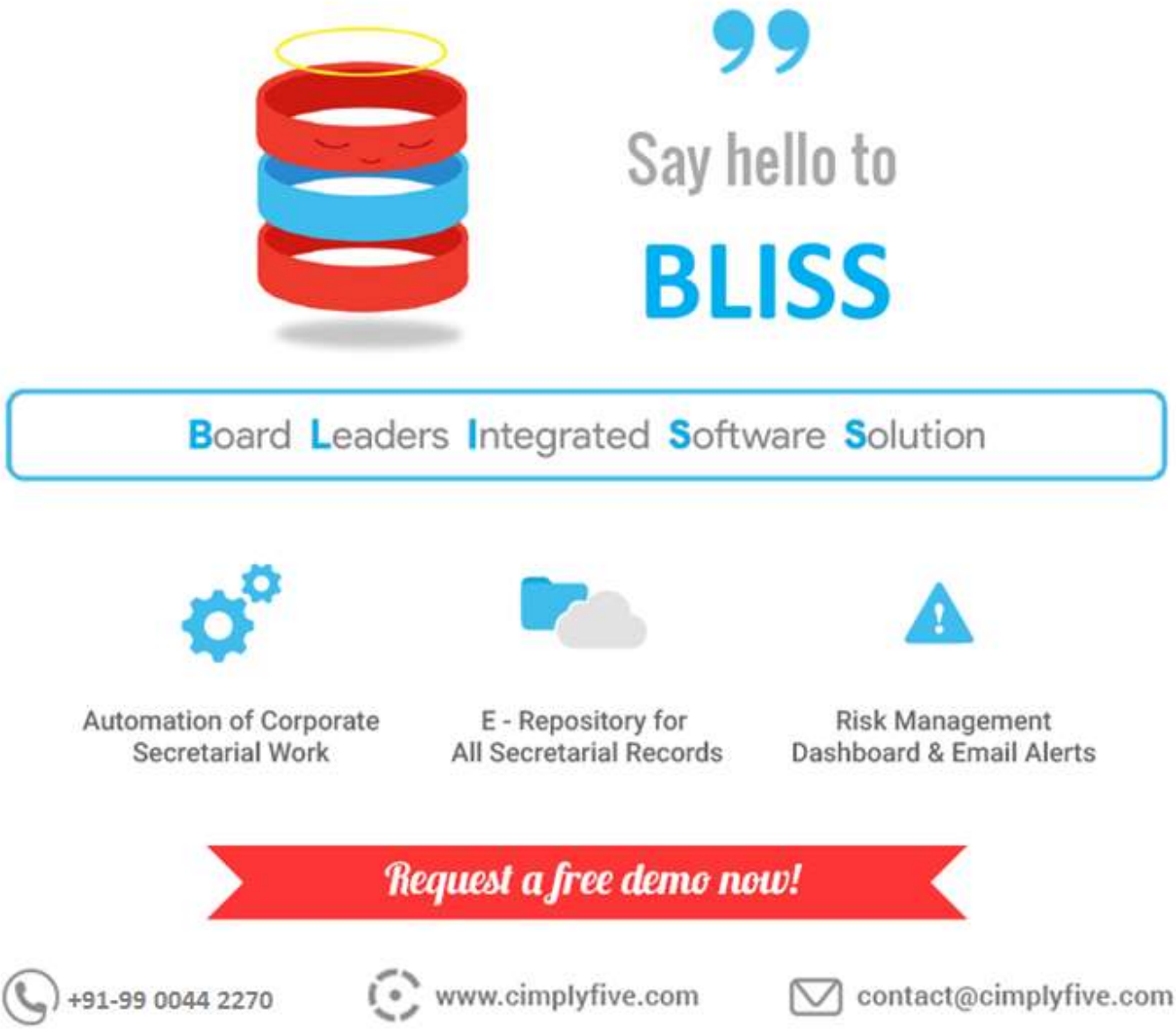
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Leverage research and technology to eliminate procedural non-compliance risk for entities regulated by the Indian Companies Act, 2013

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Provide a cost-effective, secure web-based, menu driven, subscription services that provides curated resolutions, timely alerts and informative dashboards to free the management bandwidth for pursuing business goals



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