

Editorial

The Investor Education and Protection Fund ("IEPF") underscores India's commitment to fostering a secure and well-informed investment landscape. The comprehensive management of unclaimed dividends and dues, as prescribed by the IEPF Rules, highlights a proactive approach to safeguarding investor interests and promoting financial awareness. The precise administrative and recruitment guidelines not only boost the operational efficiency of the IEPF Authority, but also prioritize investor interests, fostering a culture of transparency and trust within the financial markets.

We have also included exciting sections in the newsletter such as a quiz and engaging brain teasers.

Our other regular features comprise of Gist of Changes in the Companies Act, 2013, SEBI's LODR, 2015 and IB Code, 2016, and Statutory Compliance Calendar for the month of August 2024.

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

Happy reading,
Team CimplyFive
August 05, 2024

What's more in this month's issue.

- ***What is Hot in Company Law?***
- ***Article of the Month***
- ***BLISS Tips for the Month***
- ***Test your Gray 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 **41 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 July 2024 here is based on visitors to our site.

For the Month of July 2024
Companies Act, 2013 Top 5 Chartbusters

Rank in June	Change in Rank	Rank in July	Section reference	Section title
1	↔	1	179	Powers of Board
2	↔	2	62	Further issue of share capital
3	↔	3	188	Related party transactions
5	↑	4	186	Loan and investment by company
N	↑	5	117	Resolutions and agreements to be filed

Section 149 has been replaced with Section 117 in the top 5 Ranking.

LODR Top 5 Chartbuster Regulations

Rank in June	Change in Rank	Rank in July	Regulation reference	Regulation title
1	↔	1	30	Disclosure of Events or information
2	↔	2	17	Board of Directors
N	↑	3	29	Prior Intimations
3	↓	4	34	Annual report
N	↑	5	23	Related Party transactions

Regulation 2 and 6 have been replaced with Regulation 23 and 29 in the top 5 Rankings.

IB Code Top 5 Chartbusters

Rank in June	Change in Rank	Rank in July	Section reference	Section title
2	↑	1	5	Definitions (Part 2, Chapter 1)
N	↑	2	10	Initiation of corporate insolvency resolution process by corporate applicant
N	↑	3	33	Distribution of assets.
N	↑	4	29	Preparation of information memorandum.
N	↑	5	4	Applications (Part 2 Chapter 1)

Sections 59, 3, 7 and 6 have been replaced with Sections 10, 33, 29 and 4 in the top 5 Ranking.

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Article of the Month:

Compliance and Reporting Requirements under the Investor Education and Protection Fund: A Detailed Overview

Introduction

In the realm of Corporate Governance and Investor rights, the Investor Education and Protection Fund ("IEPF") stands as a pivotal safeguard instituted under the Companies Act, 2013 ("Act"). Its significance lies in being a repository for unclaimed dividends, matured deposits and unclaimed shares transferred by Companies after a specified period. This ensures that shareholders who fail to claim their entitlements within the stipulated timeframe do not permanently lose their rights. This fund also protects the interests of investors and promote financial literacy and hence plays a crucial role in fostering transparency and accountability within India's corporate landscape.

Legal and Regulatory Framework

IEPF governed by Section 125 of the Companies Act, 2013 and relevant Rules, is a crucial mechanism for investor protection and education in India. Listed below are the statutory provisions and key aspects:

1. **Key Section of the Companies Act, 2013:**

   Section of 125 of the Companies Act, 2013 - This section mandates the establishment of the IEPF by the Central Government. It specifies that any amount as mentioned in Section 125(2) of the Act read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, which remains unpaid or unclaimed for a period of 7 years from the due date shall be transferred to the IEPF authority. Section 125 also outlines the criteria for transferring these amounts, the responsibilities of Companies and the role of the IEPF Authority in managing these funds. It ensures that investor interests are protected and unclaimed funds are properly accounted for.

2. **Rules Governing IEPF:**

   - Companies (Investor Education and Protection Fund) Rules, 2016
     These rules provide detailed framework for the management of the IEPF. It also mandates Companies to transfer unclaimed dividends and other dues to the IEPF and has established procedures for these transfers.

     The rules also stipulate how the IEPF funds should be utilised for investor education and awareness programs, ensuring that the fund supports initiatives aimed at safeguarding investor interests.

   - The Investor Education and Protection Fund Authority (Appointment of Chairperson and Members, holding of meetings and provision for offices and officers) Rules, 2016.
     These rules establish the administrative guidelines for the IEPF Authority, detailing the appointment process for the Chairperson and Members. They specify the frequency and manner of conducting the meetings. Further, it addresses the establishment of offices and appointment of officers, ensuring effective governance and operational support for the Authority's functions.

   - The Investor Education and Protection Fund Authority (Recruitment, Salary and other Terms and Conditions of Service of General Manager and Assistant General Manager) Rules, 2017.
     These rules focus on the recruitment and employment terms for General Manager and Assistant General Manager of the IEPF Authority including the qualifications and selection criteria required for these roles. By establishing clear and standardized terms, these rules aim to attract and retain skilled professionals, enhancing the Authority's operational efficiency.

   - The Investor Education and Protection Fund Authority (Manner of Recruitment and Terms and Conditions of Service of Public Relation Officer and Assistant Manager) Rules, 2024.
     These Rules brief about the recruitment and service terms for the Public Relation Officer and Assistant Manager positions within the IEPF Authority. They provide detailed guidelines for hiring, including qualifications and selection criteria and outline the roles, responsibilities and benefits associated with these positions, aiming to enhance the Authority's communication and operational functions.

The aforesaid rules operationalize the provisions of Section 125 and provide clarity on compliance obligations for Companies and the rights of investors. The rules also set forth the administrative and recruitment procedures necessary for the IEPF's Authority effective governance and operational efficiency, thereby enhancing investor protection measures.

3. Regulatory Bodies and Authorities

IEPF Authority: The IEPF Authority, established under Section 125(5) of the Act is responsible for administering the IEPF. It ensures compliance with the provisions related to transfer of amounts, management of the fund and overseeing its utilization for investor education and protection.

Ministry of Corporate Affairs (MCA): It is the key regulatory body for overseeing the IEPF. It sets policy directions, monitors regulatory compliance and ensures that the IEPF's operations align with corporate governance and investor protection goals.

Other Regulatory Bodies: The IEPF Authority works in conjunction with other regulatory agency such as the Securities and Exchange Board of India (SEBI). The collaboration help integrate the IEPF's activities within the broader financial regulatory framework.

Constitution of IEPF Authority

The IEPF Authority established under the Act, plays a crucial role in the regulatory landscape governing unclaimed amounts within India's corporate sector. This section mandates the establishment of the IEPF Authority by the Central Government to oversee and administer the IEPF. The Authority plays a pivotal role in ensuring the proper utilization of funds transferred to the IEPF by the Companies under the relevant section of the Act.

Structure and Composition

The IEPF Authority is constituted by the Central Government and includes several key positions:

Chairperson: Appointed by the Central Government, the Chairperson provides leadership and strategic direction to the Authority. This role is typically filled by a professional with extensive experience in finance, law or administration.

Members & Chief Executive Officer: The Authority consists of members with diverse expertise in finance, law and corporate governance. Their varied backgrounds contribute to a comprehensive approach to managing the fund and protecting investor interests.

Key Functions and Responsibilities:

1. **Governance and Oversight:** The IEPF Authority operates under the oversight of the MCA and ensures compliance with the regulatory requirements and guidelines. This includes overseeing the adherence to policies and procedures related to investor protection and education. The Authority also monitors the activities of the stakeholders, ensuring compliance with legal requirements and managing risks.

2. **Managing Funds:** The Authority's main responsibilityis to receive and handle the money transferred to the IEPF by the Companies. This money is used exclusively for educating investors and creating awareness programs across the country.

3. **Processing Claims:** The authority handles claims related to unclaimed dividends, shares and other amounts transferred to the fund. It is responsible for processing these claims efficiently and transparently.

4. **Educational Programs:** Funds deposited in the IEPF are utilized for initiatives aimed at enhancing financial literacy, promoting investor awareness and educating stakeholders about their rights and responsibilities in the financial markets.

Meetings of the Authority

The IEPF Authority holds regular meetings to review its activities, make strategic decisions and address any issues related to fund management and investor protection. The frequency and procedures for these meetings are governed by regulations set forth by the Central Government.

Accountability and Transparency

The IEPF Authority is committed to maintaining high standards of accountability and transparency. By publishing annual reports and adhering to regulatory standards, the Authority aims to build investor trust and ensure the effective management of the Fund.

The constitution of the IEPF Authority is thus pivotal in ensuring effective management and utilization of funds deposited in the IEPF, thereby contributing to investor education, protecting investor rights and enriching financial education initiatives across the country. Through its structured approach and commitment to transparency, the Authority plays a vital role in fostering a trustworthy financial environment in India.

Compliance requirements for Companies

Under Section 125 of the Act, Companies are required to transfer unclaimed dividends, matured deposits and unclaimed shares to the account as provided by the IEPF authority after a specified period. The process involves the following:

1. **Identifying unclaimed shares and dividends**

   - Companies to identify shares and dividends that have remained unclaimed for seven consecutive years.
   - This includes unpaid/unclaimed dividends, matured deposits and matured debentures.

2. **Communication with the shareholders**

   - Companies are required to send reminders to the shareholders whose shares or dividends are due for transfer to the IEPF.
   - Notices are sent to the last known addresses of the shareholders and published in newspapers and uploaded on the Company's website to inform the shareholders about the impending transfer.

3. **Preparation for Transfer**

   - The Company compiles a list of unclaimed shares and dividends, including details such as shareholder names, folio numbers and amounts.
   - Necessary resolutions and approvals are obtained from the Board of Directors of the Company for the said transfer.

4. **Transfer of Shares**

   - Shares are transferred to the IEPF by following the dematerialization process if they are in physical form. In case of dematerialized shares, the transfer is made through the depository system.
   - Companies open a special demat account with the Depository Participant (DP) for this purpose.

5. **Transfer of Dividends and Other Unclaimed Amounts**

   - The unpaid or unclaimed dividend amounts are transferred to the IEPF account maintained by the MCA.
   - Other unclaimed amounts such as matured deposits, debentures, etc., are also transferred to the IEPF.

6. **Filing of Forms and Documentation**

   - Form IEPF-1: This form is used for reporting unclaimed amounts due to be transferred to the IEPF. It includes details of the unclaimed dividends, matured deposits, debentures and other amounts. It is also filed for transfer of amounts on account of shares transferred to the IEPF fund.
   - Form IEPF-2: Companies must submit a statement of unclaimed and unpaid amounts every year. This form provides a comprehensive list of all amounts remaining unclaimed as of the end of the financial year and is also filed in case of any change in Nodal Officer of the Company.
   - Form IEPF-4: Filed for the transfer of shares, along with necessary attachments such as the list of shareholders and their details and for furnishing the statement of shares and unclaimed or unpaid dividend not transferred to the IEPF, for reasons such as litigation or court orders.
   - All the aforesaid forms are to be filed electronically through the MCA portal.

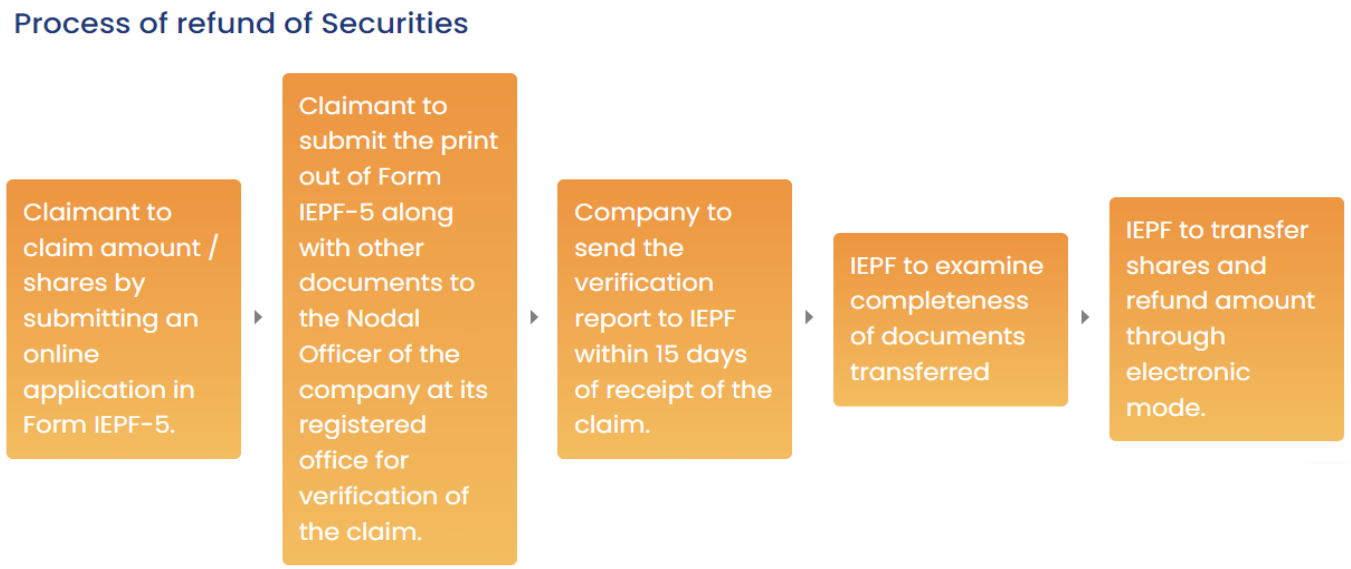
7. **Maintenance of Records**

   - Companies maintain detailed records of the transferred shares and amounts.
   - These records include shareholder details, amounts transferred and transaction references.

8. **Periodic Reporting**

   - Companies are required to provide periodic reports to the IEPF authority on the status of unclaimed amounts and shares.
   - This ensures ongoing compliance and transparency in the process.

Refund Process and Investor Rights



Source: IEPF website

The refund process for claims from the IEPF involves several key steps to ensure investors can reclaim their unclaimed shares and dividends. The processes involved are summarised below:

Claim Process for Shareholders: Shareholders or their legal heirs can claim their shares or dividends from the IEPF by filing e-Form IEPF-5 on the MCA website with the necessary documents, including proof of identity, address and entitlement.

Verification by the Companies: After submitting Form IEPF-5 online, the claimant is required to send the acknowledgment copy along with the original documents to the Company's Nodal Officer. The Company then verifies the claim and submits an e-verification report to the IEPF authority within 30 days.

Refund Process by IEPF: The IEPF authority then reviews the claim and the e-verification report. If approved, IEPF authority processes the refund of shares to the claimant's demat account and dividends to the claimant's bank account.

Audit and Accountability

Auditing Requirements: The IEPF's accounts are subject to regular audits to ensure transparency and accuracy. Auditing requirements include comprehensive financial reviews and compliance checks to verify the proper management of the Fund.

Accountability Mechanisms: The IEPF Authority is accountable for its operations and must report to the Ministry of Corporate Affairs. Accountability mechanisms include regular reporting, adherence to audit findings and addressing any issues identified during audits.

Penalties and Consequences for Non-Compliance

Non-compliance with the regulations governing the IEPF under the Act can have severe repercussions. Failure to transfer the unclaimed dividends, matured deposits and shares to the IEPF within the stipulated timelines may lead to penalties and legal consequences for the Companies.

These may include:

1. **Financial Penalties**: Companies may face monetary fines imposed by authorities for failing to comply with IEPF regulations, including delays in transferring unclaimed amounts.

2. **Legal Consequences**: Persistent non-compliance can lead to legal actions against the Company.
3. **Reputational Damage**: Non-compliance with IEPF regulations can tarnish the Company's reputation affecting their market position and investor trust. This can adversely impact the Company's ability to attract investments and business partnerships.

Recent Developments and Updates

The MCA has recently notified IEPF Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024 and IEPF Authority (Manner of Recruitment and Terms and Conditions of Service of Public Relation Officer and Assistant Manager) Rules, 2024. These amendments introduce significant changes aimed at enhancing the efficiency and transparency of the IEPF processes. An overview of the key amendments is provided below:

IEPF Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024

As per the amendment, the requirement under Forms IEPF-3 and IEPF-7 is now merged with Form IEPF-4 and IEPF-1 respectively. In addition to the merger of the aforesaid forms, the processing will be through Straight Through Process and the amount to be transferred will be through 'Pay Miscellaneous Fee' service after selecting option 'Investor Education and Protection Fund'. Further, Companies are now required to remit any amount due to the IEPF directly online to the Authority within 30 days from the date they become payable. Previously, Companies had to deposit these amounts into a designated account of the IEPF Authority at Punjab National Bank. Additionally, Forms IEPF-1, IEPF-2, IEPF-4 and IEPF-5 have been revised and substituted under the amendment rules to include various additional information.

IEPF Authority (Manner of Recruitment and Terms and Conditions of Service of Public Relation Officer and Assistant Manager) Rules, 2024

These rules set forth the procedures for the recruitment and the service conditions for the positions of Public Relation Officers (PRO) and Assistant Managers within the IEPF Authority. These rules define the qualifications, experience and selection criteria for these roles, ensuring a transparent and efficient recruitment process that includes direct recruitment, promotion or deputation. The rules also specify the service terms, including salary and allowances and disciplinary procedures. By standardizing these aspects, the Rules aim to enhance the efficiency, transparency and accountability of the IEPF Authority's operations.

These recent developments and updates in the IEPF are aimed at enhancing investor protection, improving the functioning of IEPF, the compliances and making the processes related to unclaimed amounts more efficient and transparent. By adhering to these updated regulations, Companies can ensure compliance and contribute to a more robust and transparent system for handling unclaimed amounts. Investors, in turn, benefit from a more streamlined process for reclaiming their funds, reflecting the ongoing commitment to protecting their rights and interests. Furthermore, the focus on better recruitment practices and clear service conditions also aims to professionalize the management of IEPF operations.

Conclusion

The IEPF is crucial for safeguarding investors' interests and ensuring the proper management of unclaimed funds. By mandating the transfer of unclaimed dividends, matured deposits and shares, the Companies Act, 2013 and the IEPF Rules, ensures that investors retain their entitlements even if they overlook claiming them within the stipulated timeframe. Beyond protection, the fund plays a proactive role in fostering investor awareness and financial literacy through educational initiatives. The constitution of the IEPF Authority adds a layer of governance and accountability, overseeing the proper utilization of these funds for educational initiatives that empower investors with knowledge and awareness.

Furthermore, the IEPF Authority also helps in maintaining market integrity by preventing the loss of investor wealth due to oversight or lack of awareness. It serves as a testament to regulatory foresight, ensuring that unclaimed funds contribute meaningfully to the education and protection of investors nationwide. As India continues to bolster its regulatory framework, the IEPF remains a cornerstone in enhancing investor confidence and sustaining a fair and equitable environment for all stakeholders in the financial markets.

BLISS Tips for the Month

BLISS Tips #296: With BLISSDOCS, Directors can cast their votes, view and comment on Circular Resolutions.

BLISSDOCS is an Android/iOS compatible app for Directors integrated with our secretarial automation tools BLISSPLUS & BLISSLISTED. The app enables the secretarial team to conduct paperless Board and Sub-committee meetings and facilitates end-to-end automation of circular resolutions. Directors can promptly review, vote and comment on circular resolutions within due timelines. The app offers flexibility to directors for participating in voting and provide comments from anywhere, making it convenient for those traveling or working remotely. The app also fosters better collaboration among directors by enabling real-time sharing of comments and insights on resolutions, thereby supporting informed decision-making.

BLISS Tips #297: With BLISS, Convert secretarial records into electronic version with recognizable text using OCR ('Optical Character Recognition')

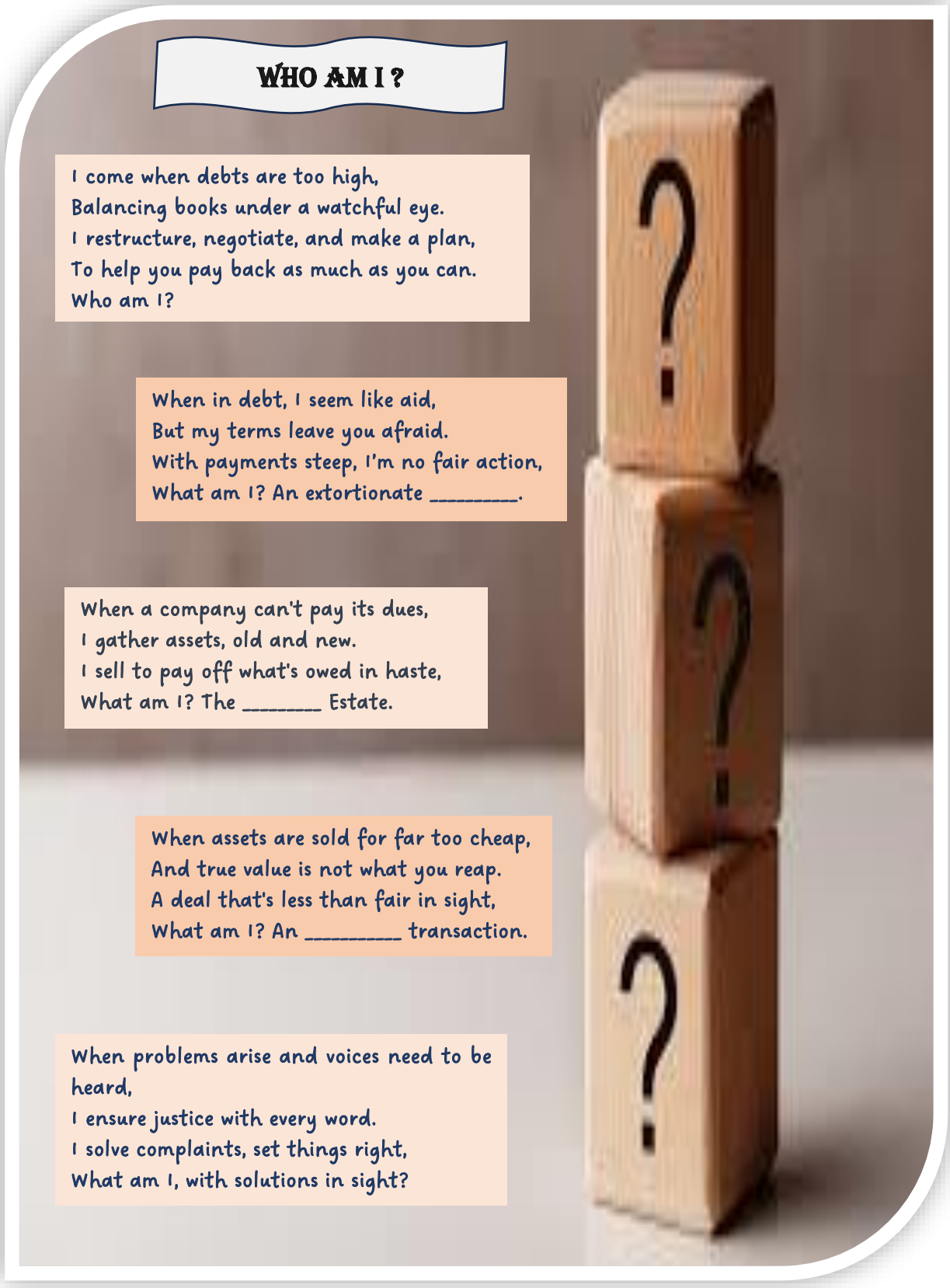
With the e-repository module, all the records created in BLISS are stored and categorized systematically under defined folders pertaining to the relevant financial year. Additionally, to enhance the search functionality in Past Records, BLISS enables its users to convert scanned documents into OCR readable format. This allows users to retrieve secretarial and other records quickly using different filters available, resulting in enhanced productivity by reducing the time and effort involved in locating critical documents.

BLISS Tips #298: With BLISSDOCS, Directors can view the meeting calendar for Board and its Committees' meetings from their phones/ tablets.

BLISSDOCS is an Android/iOS compatible app for directors, seamlessly integrated with our secretarial automation tool, BLISS. The app enables the Secretarial Team to conduct paperless Board and Sub-committee meetings with ease. Once the meetings are created in BLISS, the dates and meeting records can be effortlessly viewed by Directors in the BLISSDOCS app directly from their phone or tablet. This further acts as a meeting planner and enables the Directors to manage their Calendar for a defined period.

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Test your Gray Matter!! Take our Riddles to find out!



Test your Gray Matter!! Take our Quiz to find out!

1. The resolution professional shall submit the information memorandum in electronic form to each member of the committee within _____of his appointment but not later than _____ from the insolvency commencement date, whichever is earlier:

   a. 2 weeks and 30 days

   b. 4 weeks and 60 days

   c. 4 weeks and 90 days

   d. 2 weeks and 54 days

2. Preconditions for accepting deposits from members includes the following:

   a. Depositing of a sum not less than 10% of the amount of deposits in deposit repayment reserve

   b. Depositing of not less than 15% of the amount of deposits in deposit repayment reserve

   c. Depositing of not less than 20% of the amount of deposits in deposit repayment reserve

   d. Depositing of not less than 25% of the amount of deposits in deposit repayment reserve

3. Net profit pursuant to 9.4.2 of Companies (Corporate Social Responsibility Policy) Rules, 2014 does not include the following:

   a. Any profit arising from overseas branch or branches of the company, whether operated as a separate company or otherwise

   b. Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act

   c. Any amount representing unrealised gains, notional gains or revaluation of assets

   d. Only (a) and (b)

4. Pursuant to Regulation 55 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all companies which has listed its non-convertible securities shall review its:

   a. Credit rating obtained from agencies, both registered and unregistered with the Board atleast once a year

   b. Credit rating obtained from agencies, registered with the Board atleast once a year

   c. Credit rating obtained from agencies, both registered and unregistered with the Board atleast once in a half-year

   d. Credit rating obtained from agencies, registered with the Board atleast once in a half-year

5. Which of the following examples is not unpublished price-sensitive information (UPSI)?

   a. Financial results of the Company as disseminated to SEBI

   b. Raising of a company's capital through private placement

   c. Change in Chief Financial Officer of the Company

   d. Declaration of interim dividend

Board Leaders Integrated Software Solution

BLISSPLUS

BLISSPLUS 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. It also has multiple premium features like Directors view, facility to store past Secretarial records, automated compliance tracker for size- based compliance under the Companies Act, 2013.

BLISSLISTED

BLISSLISTED is 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.

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.

Clear Compass

Clear Compass is an All-law Compliance Software to ascertain, track and manage all the applicable state, central and industry-specific laws.

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 are updated every business day by 11 AM for changes in the Act & Regulations. For more details, please visit www.ca2013.com

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Compliance Calendar for the month of August 2024

SEBI (LODR) Regulations, 2015 Compliances			
Sl. No.	**Compliance requirement**	**Regulation reference**	**Due Date**
1.	Statement of deviation or variation	32(1)	To be filed on or before 14th August 2024
2.	Quarterly audited financial results/Limited review report Financial Statements	33(3)	To be filed on or before 14th August 2024
3.	Statement of utilization of Funds by listed Not-for-profit organizations	91F read with SEBI Circular dated September 19, 2022 (SEBI/HO/CFD/PoD-1/P/CIR/2022/120)	To be filed on or before 14th August 2024

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Gist of regulatory changes in Companies Act, 2013, SEBI (LODR), 2015 and Insolvency & Bankruptcy Code, 2016 in the month of June 2024.

- **01-07-2024**

Filing Forms to monitor Liquidation and Voluntary liquidation processes under the IBC, 2016, and the regulations made thereunder

The Insolvency Professional (IP), functioning as a liquidator, is required to ensure compliance with legal requirements and reporting to the Adjudicating Authority (AA) and IBBI, upon the initiation of the liquidation and Voluntary liquidation process. To relieve the IPs from the compliance burden, IBBI has introduced a set of forms on an electronic platform to capture the details of the voluntary liquidation process.

Following are the Forms w.r.t. the liquidation process and the timelines before which they need to be filed on the platform, hosted on the IBBI website at https://www.ibbi.gov.in.

1. **Form LIQ 1**- including the details of the Liquidator, Corporate Debtor (CD), and the liquidator's fee for the period starting from the Commencement of Liquidation till Public Announcement- to be filed **On or before the 10th day of the subsequent month, after a public announcement has been made**.

2. **Form LIQ 2**- including the details of valuation, sale, litigations, PUFE, SCC meetings, Receipts and Payments for the period starting from the Public Announcement till Progress Report- to be filed **On or before the 10th day of the subsequent month, after submission of the Progress report to the AA**.

3. **Form LIQ 3**- including the details of unclaimed proceeds, sale, litigations, PUFE, Realisation, distribution of proceeds, Receipts and Payments. (The details required in these forms are carried forward from the last Progress Report and hence need not be filled again) for the period starting from the last Progress Report to Application for Dissolution- to be filed **On or before the 10th day of the subsequent month, after submission of the Dissolution /closure application to the AA.**

4. **Form LIQ 4-** including the details of the distribution of proceeds, Receipts and Payments, etc. (The details required in these forms are carried forward from the last Progress Report and hence need not be filled again) for the period starting from the Application for Dissolution to Order for Dissolution- to be filed **On or before the 14 days of passing of the order for dissolution of corporate debtor or closure of the liquidation process by the AA**.

Going forward, the IP shall file the forms on the electronic platform in the following manner only:

a) For all the cases where a liquidation order is passed on or after the issuance of this circular, within the prescribed timelines.

b) For any ongoing cases, in which no application for dissolution of the corporate debtor/ closure of the liquidation process has been filed, the IP shall file LIQ 1 and LIQ 2 (for the March 24 quarter) latest by 30th September 2024.

c) Forms LIQ 1 and LIQ 2 (for the last quarter of the process), and LIQ 3 (where an application for dissolution of the corporate debtor / closure of the liquidation process has been filed with AA) latest by 30th September 2024.

d) Forms LIQ 1 and LIQ 2 (for the last quarter of the process), LIQ 3, and LIQ 4 (where an order for closure of the liquidation process or dissolution of the corporation debtor has been ordered by AA) latest by 30th September 2024.

Following are the forms w.r.t. the voluntary liquidation process and the timelines before which they need to be filed on the platform, hosted on the IBBI website at https://www.ibbi.gov.in.

1. Form **VL 1**- including the details of the Corporate Debtor (CD) and the details of the Voluntary Liquidation Process- to be filed **On or before the 10th day of the second month after the public announcement.**
2. Form **VL 2**- stating the details of the meetings of contributories with the reasons for delay in the process and details of replacement of liquidator, if any- to be filed **On or before the 10th day of the subsequent month, after the meeting of contributories or replacement of liquidator.**

3. Form **VL3**- stating the details of dissolution application, details of Unclaimed Proceeds, Details of realization and distribution made to stakeholders, Details of Pending Litigations, Detection of Fraud or Insolvency, if any- to be filed **On or before the 10th day of the subsequent month, after submission of the dissolution application of the CP or withdrawal/suspension application for the voluntary liquidation process, to the Adjudicating Authority.**
4. Form **VL4**- stating the details of order for Dissolution. This includes details of, the distribution of proceeds, Receipts and Payments, etc. (The details required in these forms are carried forward from the VL-3 form and hence need not be filled again)-**On or before the 14 days of passing of the order for dissolution of the CP. or withdrawal / suspension of the voluntary liquidation process.**

Going forward, the IP shall file the forms on the electronic platform in the following manner only:

a) For all the cases of voluntary liquidation, where the process has commenced on or after the date of issuance of this circular, within the prescribed timelines.

b) For any ongoing cases, in which no application for dissolution of the corporate person has been filed, the IP shall file the following forms latest by 30th September 2024:
- Form VL 1 (for all the cases)
- Form VL 2 (for cases where the process is delayed or the liquidator is replaced, as the case may be.)

c) Form VL1, VL2 and VL3 (where an application for dissolution or withdrawal / suspension of the voluntary liquidation process of the CP has been filed with AA) latest by 30th September 2024.

d) Form VL 1, VL 3, and VL 4 (for cases where dissolution of the CP or withdrawal / suspension of voluntary liquidation process has been ordered by AA.) latest by 30th September 2024.

It is also clarified in the circular that the IPs who do not comply with applicable provisions of the Code and the Regulations, shall be liable as per applicable provisions of the Code and the Regulations made thereunder for:

(i) failure to file the requisite Forms along with relevant information and records,
(ii) inaccurate and incomplete information and/or records filed in or along with a Form.

- **05-07-2024**

Filing of forms MGT-6 and BEN-2 due to migration from V2 portal to V3 version in MCA21 portal from 04/07/2024 to 14/07/2024

E-form MGT-6 for filing the receipt of declaration about the beneficial interest of shares and BEN-2 for filing a return of Significant Beneficial Ownership will be launched on the MCA V3 version on 15/07/2024. These forms will not be available on MCA V2 version from 04/07/2024 to 14/07/2024. Therefore, the Ministry has allowed an additional time of 15 days, without any additional fees, to file these forms due between 04/07/2024 and 14/07/2024.

- **08-07-2024**

Extension of time for Filing of PAS-7

Web Form PAS-7 (Details regarding share warrants issued by Public Companies prior to Companies Act, 2013, which have not been converted to shares) has been introduced on MCA-21 Portal. Owing to this, an extension till 5th August 2024 has been provided to file the form without payment of additional fees.

- **10-07-2024**

Issuance of Master Circular on Surveillance of Securities Market

SEBI has issued a Master circular to consolidate information contained in all circulars pertaining to effective surveillance of the securities market. The circular is categorized subject wise under the headings - trading rules and shareholding in dematerialized mode, monitoring of unauthenticated news circulated by SEBI registered market intermediaries and disclosure reporting under the SEBI (PIT) Regulations, 2015. Further, it also covers various circulars issued by the Integrated Surveillance Department (ISD) of SEBI.

The master circular lists out rescinded Circulars in its Annexure 7.

- **11-07-2024**

Publishing the financial results through a window advertisement in the newspapers by a listed entity having listed its non-convertible securities in accordance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

A listed entity, with a prior approval from the debenture trustee, if there are any non-convertible securities outstanding as on date when the proviso is notified, or by making a disclosure in the offer document regarding advertisement referred hereinafter for any issuances post the date of this notification, may publish only a window advertisement in the newspapers for financial results that refers to a Quick Response Code (QR Code) and the link of the website of the listed entity and stock exchange(s), where such financial results will be available and can be accessed by the investors instead of publishing a detailed one with the line items.

- **16-07-2024**

MCA notifies the Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Amendment Order, 2024

MSME Form 1 is now required to be filed only in cases where payments are pending to any micro or small enterprises for more than 45 days from the date of acceptance or the date of deemed acceptance of goods or services. The form has been amended to include details pertaining to:

a. Amount paid within 45 days

b. Amount paid after 45 days

c. Amount outstanding for 45 days or less

d. Amount outstanding for more than 45 days

- **17-07-2024**

MCA notifies the Companies (Significant Beneficial Owners) Amendment Rules, 2024

Vide this notification, form BEN-2 (Return to the Registrar in respect of declaration under section 90 of the Companies Act, 2013) has been amended to include the following:

1. Change in particulars of existing Significant Beneficial Ownership under Section 90
2. Change of the existing holding reporting company

MCA notifies the Companies (Management and Administration) Amendment Rules, 2024

Vide this notification, form MGT-6 (Return to the Registrar in respect of declaration under section 89 of the Companies Act, 2013 received by the company) has been amended to include the following:

1. Income Tax PAN / Passport Number/ Other Registration Number of person in whose name the shares have been registered as holders in the register of members
2. BO ID and Income Tax PAN / Passport of the Beneficial Owner
3. Father's/ Husband's name of the Beneficial Owner

- **18-07-2024**

MCA notifies the Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2024.

Vide this notification, an individual who has been allotted a DIN may update their personal mobile number or email address by 30th September of the financial year and in case any update is required to be made beyond this due date, a fee of Rs. 500 shall apply.

MCA notifies the Companies (Incorporation) Amendment Rules, 2024

Vide this notification, the word 'Nidhi' has been removed from the list of undesirable names.

Waiver of additional fees for specified IEPF e-forms until 16th August 2024

Additional fees on filing of forms IEPF -1, IEPF-1A, IEPF-2, IEPF-4 and e- verification of claims filed in e-form IEPF-5 has been waived off till 16th August 2024. Additionally, a one-time relaxation for communication by the Authority of non-receipt of verification report along with documents after expiry of the given period has been provided till 16th August 2024.

MCA notifies the Nidhi (Amendment) Rules, 2024

This notification provides that no company shall use the words 'Nidhi Limited' in its name unless the Central Government by notification in the Official Gazette has declared it to be a Nidhi Company.

MCA notifies IEPF Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024.

Vide this notification, the requirement under Forms IEPF 3 and IEPF 7 is now merged with form IEPF 4 and IEPF 1 respectively.

The existing Form IEPF1 has been amended to also include the amounts transferred on account of share transfers to the Fund. The following additional information now needs to be filed through IEPF 1-

1. The entire fund information w.r.t. number of shares with the IEPFA on record date, dividend per share, total amount to be credited, the TDS Deducted and the net amounts credited.
2. Surplus amount after payment of dues for Section 8 company before its conversion into any other kind.
3. Amount received through disposal of securities under section 38(4) of Companies Act 2013
4. Dividend on shares transferred to IEPF
5. Proceeds realized on delisting of companies/banks with respect to shares transferred to IEPF
6. Proceeds realized on winding up of companies/banks with respect to shares transferred to IEPF
7. Surrender of shares under Section 236 of Companies, Act 2013

Form IEPF-2 has been amended to include the following:

1. If the person being appointed as the nodal officer in the company, is an existing nodal officer in the holding or subsidiary company, and if so, the CIN of the holding or subsidiary company, as the case maybe.
2. Updated details of the Deputy Nodal Officer
3. Number of shares in the unclaimed suspense/demat suspense account of the company
4. An excel file of investor wise details needs to be attached to the form

Form IEPF-5 has been amended to include more types of entities and respective formats of Identification/ Registration numbers.

MCA issues Circular for merger of Forms IEPF-3 with IEPF-4 and IEPF-7 with IEPF-1 along with change in payment process thereof in MCA V3

In addition to the merger of the above-said forms, the processing will be through Straight through process and the amount to be transferred will be through 'Pay Miscellaneous Fee' service after selecting option 'Investor Education and Protection Fund'.

- **29-07-2024**

SEBI notifies effective date for SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2022

Vide this notification, SEBI has appointed 01/11/2024 as the effective date for Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2022.

Solution for Riddles	Solution for Quiz
1. Insolvency Professional	1. D
2. Credit	2. C
3. Liquidation	3. D
4. Undervalued	4. B
5. Grievance Redressal Mechanism	5. A

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Mission

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Vision

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



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