

Editorial

On October 1, 2024, the Insolvency and Bankruptcy Board of India (IBBI) marked its Eighth Annual Day, celebrating the transformative journey initiated by the Insolvency and Bankruptcy Code (IBC). The IBC has significantly reshaped the Indian economy by cultivating a culture of accountability and credit discipline, contributing to a remarkable reduction in Non-Performing Assets (NPAs). Central to this ecosystem are the Four Pillars of IBC Infrastructure - Together, they ensure efficient resolution and liquidation processes, fortifying the foundation of India's insolvency landscape. The article highlights the importance of a robust regulatory environment in sustaining economic growth and stability.

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 September 2024.

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 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 **42 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 2024 here is based on visitors to our site.

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

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

Sections 129 and 62 have been replaced with Sections 134 and 186 in the top 5 Ranking.

LODR Top 5 Chartbuster Regulations

Rank in August	Change in Rank	Rank in Sep	Regulation reference	Regulation title
1	↔	1	30	Disclosure of Events or information
2	↔	2	17	Board of Directors
4	↑	3	23	Related Party Transactions
N	↑	4	44	Meeting of shareholders and voting
N	↑	5	29	Prior Intimations

Regulation 33 and 34 has been replaced with Regulation 29 and 44 in the top 5 Ranking.

IB Code Top 5 Chartbusters

Rank in July	Change in Rank	Rank in August	Section reference	Section title
1	↔	1	5	Definitions (Part 2, Chapter 1)
N	↑	2	6	Persons who may initiate insolvency resolution process
5	↑	3	30	Submission of Resolution Plan.
N	↑	4	33	Initiation of liquidation
N	↑	5	53	Distribution of assets

Sections 10, 21 and 29 have been replaced with Sections 6,33, and 53 in the top 5 Ranking.

Article of the Month:

Regulatory Bodies under IBC

With special reference to IBBI, IU and AA's

Introduction

The Insolvency and Bankruptcy Board of India ("IBBI") had celebrated its Eighth Annual Day on 1st October 2024, marking eight years of transformative impact through the Insolvency and Bankruptcy Code ("IBC"). During the event in New Delhi, Amitabh Kant, former CEO of NITI Aayog and India's G20 Sherpa, emphasized the pivotal role of the IBC in reshaping the Indian economy. In his keynote address, he highlighted how the Code has fostered a culture of accountability and credit discipline, driving down Non-Performing Assets ("NPAs") to historic lows. He also advocated for the inclusion of private players to leverage technology in driving significant process re-engineering.

The article examines the insolvency ecosystem by focusing on the key pillars of its institutional infrastructure. Prior to the implementation of the IBC, India lacked an effective mechanism for rescuing distressed businesses and providing satisfactory exit routes. The introduction of the IBC has ensured that viable businesses receive the support they need, while those that are not viable can exit the market efficiently and in a time bound manner. Within the IBC framework, the corporate insolvency resolution process ("CIRP") serves as the rescue mechanism for corporate debtors ("CDs"), while the liquidation process addresses exit strategies. To ensure seamless operation from initiation to conclusion—whether through revival or liquidation—a robust foundation is essential, highlighting the critical role of regulatory bodies.

The Four Pillars of the IBC Infrastructure are Insolvency and Bankruptcy Board of India, Adjudicating Authorities, Information Utilities and Insolvency Professionals.

The Article delves deep into the first three pillars of IBC in detail.

Adjudicating Authority for Corporate Insolvency Cases

The National Company Law Tribunal ("NCLT") acts as the Adjudicating Authority ("AA") for insolvency resolution and liquidation of corporate persons, including corporate debtors and their personal guarantors. The NCLT with territorial jurisdiction over the corporate person's registered office will handle these cases.

Filing of Guarantor Insolvency Proceedings

If a corporate debtor is undergoing an insolvency resolution or liquidation process before the NCLT, any related application for insolvency resolution, liquidation, or bankruptcy of its corporate guarantor or personal guarantor must also be submitted to the same NCLT. This ensures that the proceedings are coordinated under one authority.

Transfer of Ongoing Guarantor Proceedings

In cases where insolvency or bankruptcy proceedings involving a corporate guarantor or personal guarantor are pending before another court or tribunal, these will automatically be transferred to the NCLT handling the main corporate debtor's insolvency or liquidation. This facilitates a unified resolution process.

NCLT's Powers as Debt Recovery Tribunal

For matters relating to the insolvency resolution or liquidation of a corporate debtor, the NCLT is given the powers of a Debt Recovery Tribunal. This ensures the NCLT can comprehensively handle debt-related issues as part of the insolvency process.

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NCLT's Jurisdiction Over Corporate Debtor Matters

The NCLT holds jurisdiction over all applications, claims, or legal questions arising from the insolvency resolution or liquidation of a corporate debtor. This includes handling disputes involving the corporate debtor, its subsidiaries, and any issues related to the prioritization of claims under the insolvency process. The NCLT's jurisdiction is broad, overriding any conflicting provisions in other laws.

Right to Appeal Against NCLT Orders

If someone is dissatisfied with an order from the Adjudicating Authority under insolvency matters, they can file an appeal with the National Company Law Appellate Tribunal ("NCLAT"). This right to appeal exists even if the Companies Act 2013 states otherwise, providing an additional path for those aggrieved by NCLT decisions.

Time Limit for Filing an Appeal

An appeal to the NCLAT must be filed within 30 days of the NCLT's order. However, if there is a valid reason for the delay, the NCLAT may allow the appeal to be filed up to 15 days after the initial 30-day period, but no further extensions will be permitted beyond this.

Grounds for Challenging a Resolution Plan

An appeal against an order approving a resolution plan can be made on specific grounds, which include:

1. The resolution plan violates any existing laws.
2. There were significant irregularities in how the resolution professional exercised their powers during the insolvency process.
3. The resolution plan does not adequately provide for debts owed to operational creditors.
4. The insolvency resolution process costs have not been prioritized for repayment.
5. The resolution plan fails to meet any other requirements set by the regulatory board.

These provisions ensure that the resolution plan is fair, legal, and properly executed.

Appeal to the Supreme Court

If a person is dissatisfied with an order from the NCLAT, they can appeal to the Supreme Court. This appeal can only be made on a question of law arising from the NCLAT's order. The appeal must be filed within 45 days from the date the order is received.

If there is a valid reason for not filing the appeal within the 45-day window, the Supreme Court may grant an extension. However, this extension cannot exceed 15 days. This ensures that the appeals process is timely and efficient, while allowing some flexibility for exceptional circumstances.

Penalty for Fraudulent or Malicious Insolvency and Liquidation Proceedings

If any person initiates insolvency resolution, liquidation, or voluntary liquidation proceedings with fraudulent or malicious intent, or for any purpose other than the genuine resolution of insolvency or liquidation, the Adjudicating Authority can impose a substantial penalty. This penalty ranges from a minimum of one lakh rupees to a maximum of one crore rupees. These strict penalties ensure that the processes are not misused and are conducted with integrity, protecting the interests of all parties involved.

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Statistics on the cases disposed and amount involved

Total Amount Involved in the Cases Disposed of Under Section 7,9 and 10 of IBC (From 01.01.2017 to 31.07.2024)		
Stage of Disposal	**Total No. of Cases**	**Amount Involved (in Crore)**
Settled Before Admission	29,606	11,22,430
Settled After Admission/ Sec 12A	1,479	38,621
Resolution Plan Approved	1,096	4,92,436
Total	32,181	16,53,486*

**(Amount realized under Sec. 43, 45 49 & 66; During Liquidation; section 94 and 95 of IBC, 2016 not included)*

The chart provides an overview of cases disposed under Sections 7, 9, and 10 of the IBC between January 1, 2017, and July 31, 2024. It shows the total number of cases settled before and after admission, as well as those with approved resolution plans, involving a cumulative amount of over ₹16.53 lakh crore. Most cases were settled before admission, representing the majority of the amount involved.

CASES FILED, PENDING AND DISPOSED UNDER SECTION 7, 9 AND 10 OF IBC FROM 01.11.2017 TO 31.07.2024						
SECTION OF IBC, 2016	**NO. OF CASES NUMBERED**	**NO. OF CASES PENDING (PRE ADMISSION)**	**NO. OF CASES PENDING (AFTER ADMISSION)**	**NO. OF CASES DISPOSED OF**	**NO. OF CASES ADJUDICATED [(4) + (5)]**	**% OF ADJUDICATION [(6) ÷ (2) × 100]**
1	2	3	4	5	6	7
Sec 7	11,372	1,001	2,314	8,463	10,777	94.8
Sec 9	23,335	1,403	2,363	20,794	23,157	99.2
Sec 10	794	175	308	448	756	95.2
Total	35,501	2,579	4,985	29,705	34,690	

Source : https://nclt.gov.in/section-7-9-and-10

The chart provides an overview of cases filed, pending, and disposed under Sections 7, 9, and 10 of the Insolvency and Bankruptcy Code (IBC) from November 1, 2017, to July 31, 2024. It highlights the number of cases pending both pre- and post-admission, the number of cases disposed of, and the percentage of adjudication.

IBBI

- Established on - October 1, 2016 under the Insolvency and Bankruptcy Code, 2016.
- Main Responsibility – To implement the Insolvency and Bankruptcy Code, which consolidates and amends laws relating to reorganization and insolvency resolution of corporate entities, partnerships, and individuals.
- Contribution to the insolvency ecosystem – By ensuring that reorganization and insolvency processes are completed in a timely manner to maximize the value of assets, promote entrepreneurship, ensure credit availability, and balance the interests of all stakeholders.
- Why a unique regulator? Because it regulates both a profession and processes, including insolvency professionals, professional agencies, insolvency entities, and information utilities.
- Role of IBBI under the Companies (Registered Valuers and Valuation Rules), 2017 – It is the designated authority responsible for regulating and developing the profession of valuers in India.

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Registration and Regulation

The Board is responsible for registering and regulating insolvency professional agencies, professionals, and information utilities, including the authority to renew, withdraw, suspend, or cancel such registrations, while also promoting the development and regulating practices of these entities.

Standards and Requirements

The Board specifies the minimum eligibility criteria for the registration of insolvency professional agencies, professionals, and information utilities, alongside setting standards for their functioning and laying down the minimum curriculum for professional examinations.

Fees and Charges

The IBBI has the authority to levy fees and other charges for carrying out the purposes of the Insolvency and Bankruptcy Code, including fees for the registration and renewal of insolvency professional agencies and professionals.

Monitoring and Compliance

The Board conducts inspections and investigations of insolvency professional agencies and professionals, monitors their performance, and ensures compliance with the provisions of the Code and its regulations, calling for necessary information and records.

Public Information and Data Management

The IBBI is tasked with publishing information, data, and research studies as specified by regulations, as well as collecting and maintaining records related to insolvency and bankruptcy cases.

Committee Formation

The Board has the power to constitute various committees as required, including specific committees outlined in the legislation, to facilitate effective governance and oversight.

Transparency and Best Practices

The IBBI promotes transparency and the adoption of best practices in its governance and maintains websites and other accessible repositories of electronic information necessary for public access.

Memorandums and Guidelines

The Board can enter into memorandums of understanding with other statutory authorities and issue necessary guidelines to insolvency professional agencies, professionals, and information utilities to ensure compliance with regulations.

Grievance Redressal

The IBBI specifies mechanisms for addressing grievances against insolvency professionals and agencies, passing orders related to complaints filed against them to ensure compliance with the Code and its regulations.

Research and Audits

The Board conducts periodic studies, research, and audits of the functioning and performance of insolvency professional agencies, professionals, and information utilities at intervals specified by the Board.

Regulation Development

The IBBI is empowered to make regulations and guidelines regarding insolvency and bankruptcy, including mechanisms for the time-bound disposal of assets of the corporate debtor or debtor.

Civil Court Powers

While exercising its powers under the Code, the Board has the same powers as a civil court under the Code of Civil Procedure, 1908, including the discovery and production of documents, summoning individuals, and inspecting records.

Model Bye-Laws

The Board can establish model bye-laws for insolvency professional agencies, detailing standards for professional competence and ethical conduct, non-discriminatory enrolment, membership procedures, disciplinary actions, and grievance redressal mechanisms.

Information Utilities (IU's)

IBC mandates the establishment of a regulated information industry through the creation of Information Utilities (IUs). According to section 3(21) of the IBC, an IU is defined as a "person" registered with the Insolvency and Bankruptcy Board of India (IBBI) under section 210.

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Need of IU's

To address the issues stemming from information asymmetry in corporate insolvency and bankruptcy processes in India, it is essential to enhance access to reliable financial information about debtors for creditors and other stakeholders. By establishing a framework that provides transparent and accurate data, stakeholders can significantly reduce the time and effort spent on confirming debtor defaults and evaluating the financial status of corporate debtors (CDs). This improvement will streamline the insolvency process and foster a more efficient and effective environment for all parties involved.

National E-Governance Services Limited ("NeSL") is India's first Information Utility, registered with the Insolvency and Bankruptcy Board of India (IBBI) under the Insolvency and Bankruptcy Code, 2016 (IBC). Established by leading banks and public institutions, NeSL functions as a repository of legal evidence, holding information related to debts and claims submitted by financial or operational creditors, which is verified and authenticated by the involved parties

Services rendered

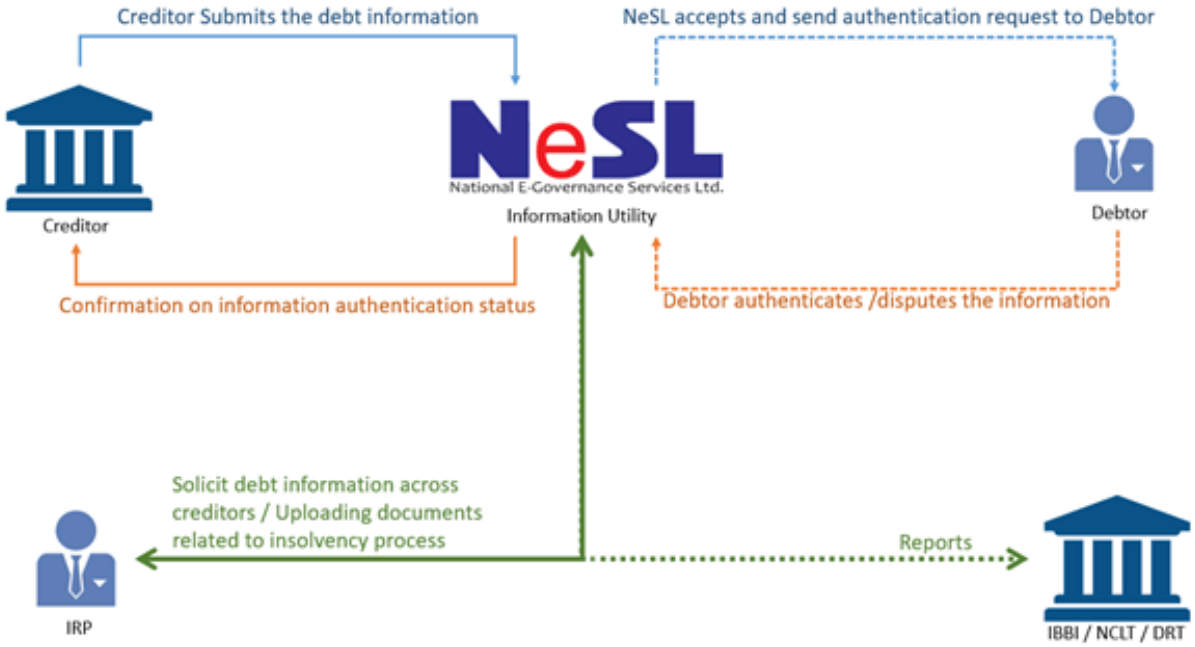
Information Utilities ("Ius") deliver core and additional services as outlined under the IU Regulations in accordance with the IBC, as defined in Section 3(9). The "core services" encompass several key functions, including the electronic submission of financial information, the secure and accurate recording of this information, the authentication and verification of financial data submitted by individuals, and providing specified parties access to the information stored within the utility.

Advantages

The benefits for stakeholders, including financial creditors, operational creditors, and resolution professionals, are substantial.

- Financial creditors benefit from access to authenticated and verified information, which reduces information asymmetry and enhances decision-making and monitoring. The digital execution of contracts, including e-stamping, simplifies legal processes, while real-time reporting via APIs allows for improved credit monitoring and timely interventions.
- Operational creditors experience greater efficiency with digitally filed debt-related information, enabling quick retrieval, demand notice generation, and dispute tracking. Integration with the MSME Samadhaan Portal helps monitor defaults across creditors, providing timely alerts.
- Similarly, resolution professionals and liquidators gain support from a seamless Corporate Insolvency Resolution Process (CIRP) solution, ensuring adherence to timelines. Access to debtor information, integration with e-Court for default filings, and storage capabilities via a Virtual Data Room streamline claim verification and regulatory submissions.

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Source: https://nesl.co.in

Reports provided by the IU

Various reports available under the Information Utility (IU) provide insightful analysis for better credit monitoring and debt management.

a) **Tenor Analysis** offers a detailed view of debtors by categorizing them based on their age, the number of unique defaulter debtors, and the outstanding amount in defaulted records, segmented by corporate entities, other commercial entities, and individuals.

b) **Lending Arrangement Analysis Report** examines lending patterns, distinguishing between multiple banking arrangements, sole banking, and consortiums. It presents a breakdown of the count of unique debtors and their outstanding amounts, helping lenders understand their exposure across various arrangements.

c) **Sector-wise and Geographical Analysis** provides insights into corporate debt, categorized by industry sectors and geographical regions. These reports highlight outstanding debt amounts, giving stakeholders a clear view of sector-based and region-based debt exposure.

d) **Default Analysis Report** focuses on debt size and outstanding amounts, further classifying them into financial and operational debts. This report helps identify patterns in default amounts across different debt categories.

e) **Currency-wise Analysis** generates reports based on currency codes, showcasing the total outstanding debt across corporate, commercial entities, and individuals. This is particularly useful entities exposed to multi-currency transactions.

Conclusion

In conclusion, its certain that there is a significant progress made in India's insolvency landscape over the past eight years since IBC's birth. The strong eco system demonstrates the vital roles in facilitating effective business rescues and exits. As IBC continues to evolve, the integration of technology and private sector participation promises to enhance the efficiency of insolvency processes, ultimately contributing to a more resilient and dynamic business economy.

References

https://nesl.co.in
https://www.ibbi.gov.in/
https://nclt.gov.in/

BLISS Tips for the Month

BLISS Tips #301: Effortlessly replicate entries of Register of Directors & KMPs!

With BLISS, users can maintain company's statutory registers in the prescribed formats electronically, further making it convenient for the users to update the same with accuracy by allowing replication of entries from the Register of Directors & KMPs of one company to another.

This helps in fostering better management and oversight along with being statutorily compliant.

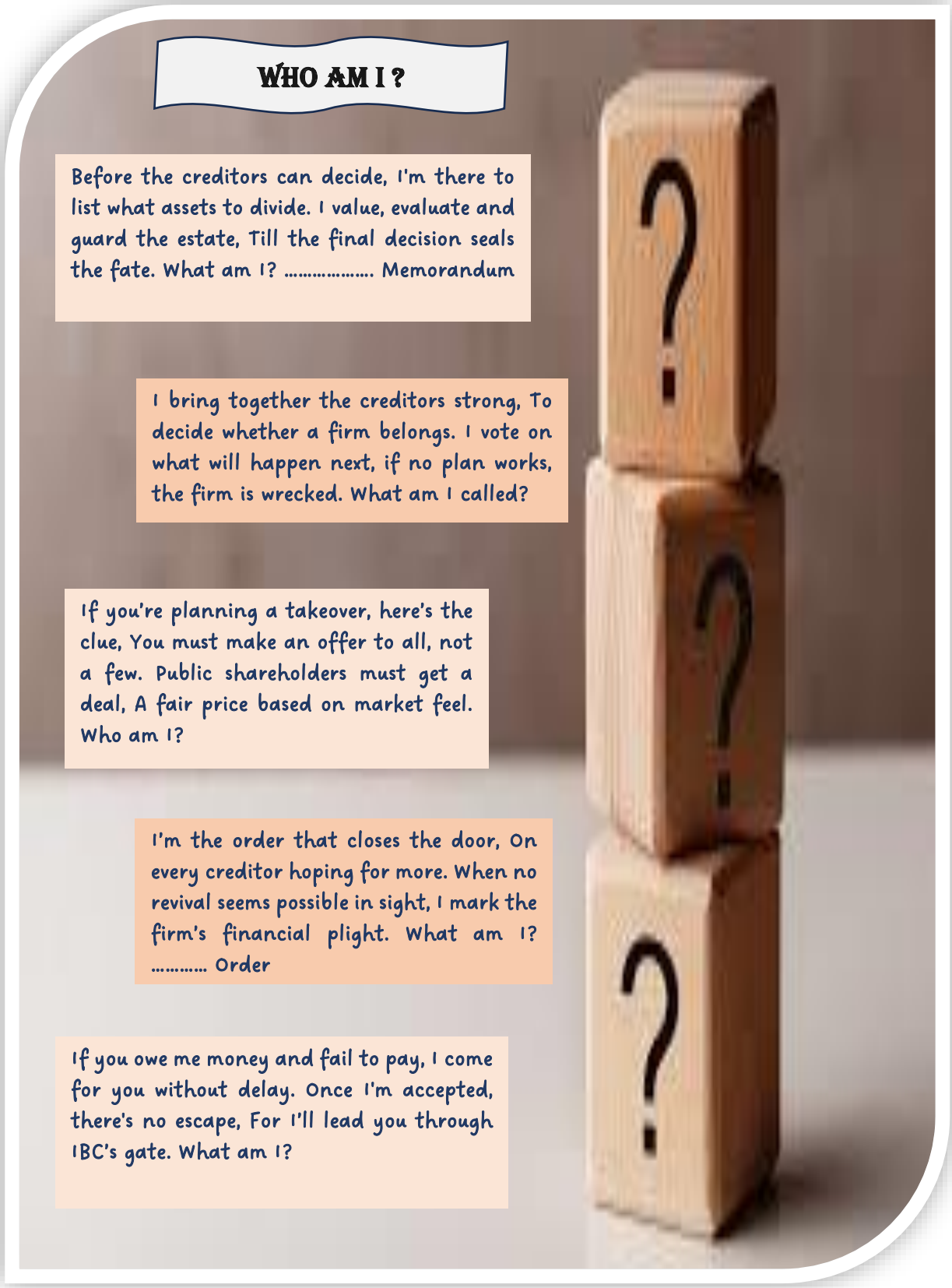
BLISS Tips #302: BLISS enables users to grant "Customized viewer" access to the Auditors

BLISS allows the Subscriber/ Admin to grant customized access to secretarial records for Audit & Due diligence, enabling auditors to view the records with an option of restricting the download of the same, for a specific period such as a Financial Year and the nature or type of records that they can view i.e., Agenda, Minutes, Registers, Returns and/ or Action Tracker. Further, the Admin may also set the access validity end date, post which the same will be automatically revoked.

This feature simplifies the Audit processes without hampering daily activities as the auditors get access to all the relevant secretarial records on a single platform.

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



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

1. Under Regulation 52 of SEBI (LODR) Regulations, 2015, a company that has listed its non-convertible securities shall submit its half-yearly/annual financial results within:

   a) 15 days of the end of the half-year

   b) 30 days of the end of the half-year

   c) 45 days of the end of the half-year

   d) 60 days of the end of the half-year

2. Which of the following is NOT a precondition for accepting deposits from members as per the Companies Act, 2013?

   a) Passing a resolution in a general meeting

   b) Issuing a circular to members detailing the terms of the deposit

   c) Filing the circular with the Registrar of Companies before issuing it

   d) Issuing the circular after accepting the deposits

3. Under Regulation 32 of SEBI (LODR) Regulations, 2015, the statement of deviation(s) or variation(s) in the use of proceeds raised through public issues must be reviewed and submitted to the stock exchange:

   a) Monthly

   b) Quarterly

   c) Half-yearly

   d) Annually

4. Under the Companies Act, 2013, the maximum number of directors that a company can appoint without passing a special resolution is:

   a) 10

   b) 12

   c) 15

   d) 20

5. As per the Companies Act, 2013, what is the maximum limit for a company's borrowing power as defined under Section 180(1)(c)?

   a) Paid-up capital

   b) Paid-up capital plus free reserves

   c) Paid-up capital plus free reserves plus securities premium

   d) Paid-up capital plus reserves and surplus

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Board Leaders Integrated Software Solution

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

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

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

Compliance Calendar for the month of October 2024

Compliances for Companies under Companies Act, 2013			
Sl. No.	**Compliance Requirement**	**Section/ Rules**	**Due Date**
1.	AOC-4	Section 137 read with Rule 12(1) of Companies (Accounts) Rules, 2014	To be filed within 30 days from the date of AGM
2.	AOC-4 (XBRL)	Section 137 and read with Companies (Filing of documents and Forms in XBRL) Rules	To be filed within 30 days from the date of AGM
3.	MGT-8	Section 92 of the Companies Act, 2013 read with Rule 11(2) of the Companies (Management and Administration) Rules, 2014	To be filed 60 days from the date of AGM
4.	MGT-15	Section 121 read with 31(2) of the Companies (Management and Administration) Rules 2014	To be filed within 30 days from the date of AGM
5.	MSME-1	Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order, 2019, passed under Section 405 of the Companies Act, 2013	To be filed on or before 30th October
6.	MGT-7 and MGT-7A	Section 92 read with Rule 11(1) of the Companies (Management and Administration) Rules, 2014	To be filed within 60 days from the date of AGM

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SEBI (LODR) Regulations, 2015			
Sl. No.	**Compliance Requirement**	**Regulation Reference**	**Timeline**
1.	Indian Depository Receipt holding pattern (Only for Listed entities which has issued IDR)	69(1)	To be filed on or before 15th October 2024
2.	Statement on investors Grievance Redressal Mechanism	13(3)	To be filed on or before 21st October 2024
3.	Compliance Report on Corporate Governance	27(2)(a)	To be filed on or before 21st October 2024
4.	Statement showing holding of securities and shareholding pattern	31	To be filed on or before 21st October 2024
5.	Disclosure of Related Party Transactions for the half year ended September 2024	23(9)	On the date of publication of standalone and consolidated financial statements
SEBI (Depositories and Participants) Regulations, 2018			
1.	Reconciliation of share capital audit report.	55A (1)	To be filed on or before 30th October 2024
SEBI (PIT) Regulations, 2015			
1.	SDD Compliance Certificate or a Practicing Company Secretary (PCS).	3(5) & 3(6)	To be filed on or before 21st October 2024
Limited Liability Partnership Act, 2008			
1.	Form LLP-8	34(3)	To be filed on or before 30th October

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

- **10-09-2024**

MCA notifies Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2024.

Key highlights of the amendment are:

- The provisions herein shall now be read for Securities instead of only shares.
- In case of transmission of securities held without nomination (Singly and jointly)-

1. The legal heir certificate issued by the revenue authority not below the rank of Tahsildar having jurisdiction can now be submitted to the authority to register the transmission. The same shall be accompanied by:

a. **For singly held physical securities:** A notarised indemnity bond from the claimant to whom the securities are transmitted and a no objection certificate from all the legal heirs other than claimants duly attested by a notary public or by a gazette officer.

b. **For jointly held physical/ demat securities and singly held dematerialized securities:** A notarised indemnity bond from the legal heir or claimant to whom the securities are transmitted and a no objection certificate from all non-claimants duly attested by a notary public or by a gazette officer.

2. In case a will is submitted to register the transmission, a notarised indemnity bond from the claimant to whom the securities are transmitted shall accompany.

3. The manner for valuation of securities is also provided for in the notification.

- In case of loss of securities held in physical mode:

1. The requirement to submit self-attested copy of FIR/ police complaint is now extended only to securities with market value of greater than five lakh rupees.
(A foreign national or NRI, may provide self-declaration of such, duly notarised or apostilled or consularised in their country of residence, along with self-attested copies of valid passport and overseas address proof).

2. The requirement to submit Surety Affidavit is now omitted.

3. The advertisement regarding loss of securities can be given in any widely circulated newspaper as against the earlier stated requirement.

- A Special contingency policy shall be obtained from the Insurance company to cover risk of the claim in respect of the verification reports towards IEPF-5.

MCA notifies the Companies (Indian Accounting Standards) Second Amendment Rules, 2024.

Ind AS 116 has been amended vide MCA notification to include paragraph 102A w.r.t. the right-of-use asset and the lease liability arising from the leaseback. It further states how the seller-lessee shall determine 'lease payments' or 'revised lease payments'. The Notification also contains illustrations regarding the Sale and leaseback transaction with fixed payments and above-market terms.

- **11-09-2024**

MCA notifies the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2024.

The following provisions have been introduced for merger or amalgamation of 'transferor holding foreign company incorporated outside India' with 'transferee wholly owned subsidiary Indian company':
a. Prior approval of Reserve Bank of India is to be obtained by both the Companies

b. The Indian Company shall make the application as per the provisions of Merger and Amalgamation of certain companies and the corresponding rule shall apply.

c. The declaration in Form CAA-16 (Declaration in case of a compromise/ arrangement/ merger/ demerger between an Indian company and a company/ body corporate which has been incorporated in a country which shares land border with India) is to be submitted at the application stage.

'National Bank for Financing Infrastructure and Development' as a Public Financial Institution.

The Central Government in consultation with the Reserve Bank of India notifies 'National Bank for Financing Infrastructure and Development' as a Public Financial Institution.

- **17-09-2024**

Enabling T+2 trading of Bonus shares announced on or after October 01, 2024 (Summary of the SEBI, NSE Circulars dated 16/09/2024)

With the intent to streamline the process of Bonus issue of equity shares, SEBI has decided to reduce the time taken from the record date for trading and the credit of bonus shares, under SEBI (ICDR) Regulations, 2018. The shares allotted pursuant to the bonus issue shall now be made available for trading on the next working date of allotment (T+2 day).

The summary of the operational procedure to be followed by the Issuers, the Exchange and the Depositories is as follows:

1. The Issuer shall apply for the in-principle approval for the Bonus Issue to the Stock Exchange (SE) within 5 working days from the date of Board Meeting approving the same.
2. The Issuer while fixing and intimating the record date (T day) to the SE for the proposed bonus issue, shall also take on record deemed date of allotment on next working date of record date (T+1 day).
3. A notification shall be issued by the SE including the deemed date of allotment (T+1 day), accepting the record date and notifying the number of shares considered in the bonus issue.
4. Further to the above, the Issuers to ensure submission of the requisite documents to Depositories for the credit of bonus shares in the depository system latest by 12 P.M. of next working day of the record date (i.e. T+1 day).
5. The Issuer shall upload the distinctive number (DN) that ranges in the DN database of the depository and SE shall update relevant dates before credit of bonus shares.
6. The shares allotted pursuant to the bonus issue shall be made available for trading on the next working date of allotment (T+2 day).
7. Requirement of credit of bonus shares in temporary ISIN shall be exempted in case of bonus issue of equity shares, and credit of shares directly in permanent ISIN (existing ISIN) shall be permitted in case of bonus issue of equity shares.

- **20-09-2024**

Extension of timeline to hold Annual General Meetings ("AGMs") and Extraordinary General Meetings ("EGMs") through Video Conference ("VC") or Other Audio Visual Means ("OAVM")

Vide this notification, MCA has allowed companies whose AGMs are due in 2024 or 2025 to hold their AGMs though VC or OAVM on or before September 30, 2025. The circular further provides for conducting of EGMs through VC or OAVM or transact items through postal ballot up to September 30, 2025.

Modification in the Announcement Module on NSE Electronic Application Processing System ("NEAPS") platform w.e.f. September 21, 2024

NSE modifies the announcement module under NEAPS at the path NEAPS > Compliance > Announcements > Announcements/ CA for filing disclosures/ announcements under Regulation 30 of SEBI (LODR) Regulations, 2015. The subjects are bifurcated as follows:

1. Regulation 30 - Para A
2. Regulation 30 - Para B
3. REITS/ INVITs (As applicable)
4. Others

The further categories are bifurcated as per Para A and Para B of Part A Schedule III of SEBI (LODR) Regulations, 2015.

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- **20-09-2024**

Exception to Producer Companies to issue securities in dematerialised form

Referring to the requirement of a private company (other than a small company) to facilitate dematerialization of securities and to issue securities in dematerialized form within 18 months from the closure of March 31, 2023, this notification states out an exception for the Producer Companies.

The Producer Companies are henceforth allowed a period of 5 years from the closure of financial year to comply with the same.

- **24-09-2024**

Issuance of Master Circular on Surveillance of Securities Market

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

This master circular also lists certain circulars that have been rescinded in Annexure 7.

- **25-09-2024**

Filing of Form CSR-2 for the Financial Year 2023-24

Vide this notification, it is notified that form CSR-2 for the Financial Year 2023-24 shall be filed separately on or before December 31, 2024 after filing form AOC-4 or AOC-4 NBFC or AOC-4 XBRL, as the case may be.

IBBI notifies the IBBI (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2024

Key highlights of the amendment are:

1. Vide this amendment, it is specified that the Insolvency Professional ("IP") selected by Interim Resolution Professional ("IRP") being the choice of the highest number of financial creditors in the class in Form CA shall be considered, provided the said Form is received within the time stipulated in the public announcement.
2. It is further provided that till the application of appointment of authorised representative is under consideration before the Adjudicating Authority, the IP shall act as Interim Representative for the Class of Creditors.
3. The timelines w.r.t. submission of claims and verification of claims has been removed from the model timeline for the Corporate Insolvency Resolution Process mentioned in Regulation 40A of the Regulations.

Solution for Riddles	**Solution for Quiz**
1. Information Memorandum	1. C
2. Committee of Creditors (CoC)	2. D
3. Open Offer Requirement	3. B
4. Liquidation Order	4. C
5. Default Notice	5. C

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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

Vision

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



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