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Editorial

India's evolving corporate landscape mandates foreign companies to comply with a well-defined regulatory framework under the Companies Act, 2013. The Ministry of Corporate Affairs ("MCA") ensures adherence to registration, financial disclosures and corporate governance norms, while the Reserve Bank of India ("RBI") and the Securities and Exchange Board of India ("SEBI") provide additional oversight, particularly in financial and investment-related matters. These regulations create a balanced environment, fostering foreign investment while protecting domestic interests. The article in this newsletter delves into the role of foreign companies, the requirements for their registration and their compliance obligations in India, offering insights into the legal landscape they must navigate for seamless operations.

We have also included exciting sections in the newsletter like 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 March 2025.

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

Happy reading,
Team CimplyFive
March 05, 2025

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***

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 **48 million page-views** as on date and attracts over 11,000 users accessing around 35,000 pages a day. List of the most viewed sections in the Companies Act, LODR and IB Code in the month of February 2025 here is based on visitors to our site.

For the Month of February 2025
Companies Act, 2013 Top 5 Chartbusters

Rank in Jan	Change in Rank	Rank in Feb	Section	Section Title
3	↑	1	179	Power of Board
N	↑	2	188	Related Party Transactions
5	↑	3	186	Loan & Investments By the Company
2	↓	4	177	Audit Committee
N	↑	5	180	Restrictions on Power of board

Sections 88 and 185 have been replaced with Sections 188 and 180 in the top 5 Rankings.

LODR Top 5 Chartbuster Regulations

Rank in Jan	Change in Rank	Rank in Feb	Regulation	Regulation title
1	↔	1	30	Disclosure of Events or Information
3	↑	2	23	Related party transactions
2	↓	3	17	Board of Directors
N	↑	4	33	Financial Reporting
N	↑	5	47	Advertisement

Regulation 43 and 16 has been replaced with Regulation 33 and 47 in the top 5 ranking.

IB Code Top 5 Chartbusters

Rank in Jan	Change in Rank	Rank in Feb	Section	Section Title
5	↑	1	6	Persons who may initiate corporate insolvency resolution process
N	↑	2	9	Application for initiation of corporate insolvency resolution process by operational creditor
3	↔	3	30	Submission of Resolution plan
N	↑	4	29	Preparation of Information Memorandum
N	↑	5	10	initiation of corporate insolvency resolution process by Corporate applicant

Sections 7, 12 and 31 have been replaced with Sections 9, 29 and 10 in the top 5 Rankings.

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Article of the Month:

Regulatory Framework for Foreign Companies under the Companies Act, 2013

Introduction

With globalization on the rise, many foreign companies are keen on establishing a presence in India. India offers a vast market, a growing economy and favourable business opportunities, making it an attractive destination for foreign investments. To maintain a transparent and regulated business environment, the Indian government enforces corporate compliance through the Companies Act, 2013 ("Act"). This legislation governs the operations of foreign entities, in addition to Indian entities, ensuring they adhere to Indian legal and regulatory frameworks while conducting business. Chapter XXII of the Act specifically deals with foreign companies, defining their scope, compliance requirements and regulatory obligations. Understanding these provisions is crucial for foreign companies to operate smoothly and avoid legal complications.

In this article, we go beyond the definition of a foreign company to explore key aspects such as the role of regulatory bodies in supporting them, the requirements for their registration, their compliance obligations and other critical considerations. It also delves into the regulatory landscape, and the significance of maintaining corporate governance standards

Definition of a Foreign Company

Section 2(42) of the Act defines a foreign company as any company or body corporate incorporated outside India which:

(a) has a place of business in India, whether by itself or through an agent, physically or through electronic mode; and
(b) conducts any business activity in India in any manner.

This definition ensures that any foreign entity conducting business in India, whether through a physical establishment or digital presence, is governed by the regulatory framework of the Act and must comply with applicable laws and regulations.

What are the ways in which foreign companies can be registered in India?

Foreign companies can establish their presence in India through various legal structures, depending on their business objectives and operational requirements. The primary ways of registration include:

1. **Liaison Office (LO):** Acts as a representative office to facilitate communication between the foreign company and Indian stakeholders. It cannot engage in commercial activities.
2. **Branch Office (BO):** Permits limited commercial activities such as export/import, consultancy and research but cannot undertake manufacturing.
3. **Project Office (PO):** Established for executing specific projects in India, especially in sectors like infrastructure and construction.
4. **Wholly Owned Subsidiary (WOS):** A foreign company can set up a wholly owned subsidiary in India, primarily in sectors where 100% Foreign Direct Investment (FDI) is permitted.
5. **Joint Venture (JV):** A partnership with an Indian entity that allows the foreign company to leverage local expertise and market knowledge.

Each structure has distinct regulatory requirements, and the choice depends on the nature and scope of business activities.

Choosing the Right Structure

The selection of the appropriate registration method depends on factors such as business objectives, investment scope, taxation, compliance requirements and regulatory approvals. A Wholly Owned Subsidiary is ideal for long-term business operations, while a Liaison or Branch Office suits companies looking for presence with limited time. For sector-specific projects, a Project Office can be an effective option.

Proper legal and regulatory consultation is essential to ensure smooth registration and compliance with Indian corporate laws.

Registration of Foreign Companies in India

As per Section 380 of the Act, a foreign company must register with the Registrar within 30 days of establishing a place of business in India.

Key Requirements for Registration:

1. Filing of Form FC-1

- Every foreign company must submit Form FC-1 with the Registrar, Central Registration Centre.

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- The form must be certified by an authorized representative and filed with prescribed fees along with the documents required to be delivered for registration by a foreign company.

2. Documents to be Submitted

- A certified copy of the charter, statutes or memorandum and articles, of the company or other instrument constituting or defining the constitution of the company and, if the instrument is not in the English language, a certified translation thereof in the English language.
- Details of Directors and Secretary of the company with identity and address proof.
- The name and address or the names and addresses of one or more persons resident in India authorised to accept on behalf of the company, service of process and any notices or other documents required to be served on the company.
- Registered Office Address in India (with proof).
- Particulars of opening and closing of a place of business in India on earlier occasion or occasions.
- Declaration that none of the Directors of the company or the authorised representative in India has ever been convicted or debarred from formation of companies and management in India or abroad.

3. Approvals from Regulatory Authorities

- The foreign company must also obtain approval from authorities like the Reserve Bank of India (RBI) under Foreign Exchange Management Act, 1999 ("FEMA") or Regulations, and from other regulators, if any, as required by such foreign company to establish a place of business in India or a declaration from the authorised representative of such foreign company that no such approval is required.

Compliance Requirements

Foreign companies operating in India must comply with several provisions including regulatory, financial, taxation and operational requirements. Ensuring compliance is crucial to avoid penalties, legal disputes and business restrictions.

Foreign companies operating in India must comply with several provisions under the Act, including:

1. Financial Statements and Statutory Audit

Foreign companies must maintain proper books of accounts for their Indian operations in accordance with Section 381 of the Act. They must prepare financial statements for their Indian business operations in accordance with Schedule III of the Act or as close to it as possible. These financial statements must include:

Financial Statements & Annexures

- Prepare and annex documents in accordance with the provisions of Chapter IX of the Act i.e. Accounts of Companies.
- Latest consolidated financial statements of the parent foreign company (with certified English translation, if applicable).
- Any other documents specified by the Central Government.

Mandatory Attachments with Financial Statements

- Statement of Related Party Transactions.
- Statement of Repatriation of Profits.
- Statement of Transfer of Funds.

Filing Timeline

- Documents must be submitted to the Registrar within six months from the end of the financial year.
- Extension of up to three months may be granted by the Registrar upon written request with valid reasons.

Additionally, foreign companies must undergo a statutory audit by a practicing Chartered Accountant in India or a firm or Limited Liability Partnership of Practicing Chartered Accountants ensuring compliance with Indian Accounting Standards (Ind AS) and reporting guidelines issued by the Institute of Chartered Accountants of India (ICAI). Further, the audited financial statements must be filed with the ROC within the stipulated timeline.

2. Corporate Governance Requirements

Foreign companies must adhere to Indian corporate governance norms, ensuring transparency and compliance with ethical business practices. These requirements include:

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- **Transparency** – Disclosure of financial and operational details.
- **Accountability** – Compliance with Indian regulatory authorities.
- **Ethical Business Practices** – Prevention of fraud, corruption and conflicts of interest.
- **Stakeholder Protection** – Ensuring fair treatment of investors, employees and other stakeholders.

3. Statutory Filings & Disclosures

Foreign companies must submit various statutory forms with the Registrar:

- **Form FC-1:** Filed within 30 days of business establishment.
- **Form FC-2:** Filed within 30 days of changes in business details, directors, or representatives.
- **Form FC-3:** Annual financial statements submission.
- **Form FC-4:** Annual return filing within 60 days from the last day of the financial year.

Additionally, any structural or management changes (e.g., changes in directors, relocation of offices) must be reported promptly to avoid penalties. Further, the foreign companies that are listed or planning to raise capital in India must also comply with the Securities and Exchange Board of India ("SEBI") Regulations.

4. Display of Name and Country of Incorporation

As per Section 382 of the Act, every foreign company must:

i. Display its Name and Country of Incorporation
   - The name of the foreign company along with the country where it is incorporated must be displayed at every place of business established in India.
   - This should be in English as well as the regional language of the location.

ii. Mention Company Details on Documents
   - The full name of the foreign company and the country of incorporation must be printed on every prospectus issued and in all business documents, including letterheads, invoices, notices, advertisements and official publications.
   - This helps in clear identification and avoids legal ambiguity regarding the company's status.

5. Other Compliance Requirements under the Act

Under Section 384 of the Act certain provisions that apply to Indian companies are also applicable to foreign companies operating in India. These provisions cover aspects such as debentures, annual returns, registration of charges, books of account and their inspection. The key requirements for foreign companies under this section include:

i. Maintenance of Books of Account:

Foreign companies conducting business in India must maintain proper books of account at their principal place of business in India. These records should reflect the company's financial position and transactions related to its operations in India. The accounts should be open to inspection as per regulatory requirements.

ii. Compliance with Specific Provisions of the Act:

Foreign companies must adhere to the following sections of the Companies Act, 2013:

- Section 71 (Debentures): If a foreign company issues debentures in India, it must comply with the applicable provisions related to the issue, redemption, and creation of a debenture redemption reserve.
- Section 92 (Annual Return): A foreign company must file an annual return with the ROC, containing details such as its registered office, principal place of business in India, details of directors, shareholders, and any changes during the year.
- Section 135 (Corporate Social Responsibility "CSR"): If a foreign company meets the prescribed CSR criteria (based on net worth, turnover, or net profits from Indian operations), it must allocate funds for CSR activities and report compliance.

iii. Registration of Charges (Chapter VI):

If a foreign company creates a charge (such as a mortgage, lien, or pledge) on property located in India, it must register the charge with the ROC in accordance with Chapter VI of the Act. This ensures transparency in financial dealings and helps creditors verify encumbrances on the company's assets in India.

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6. Taxation and FEMA Compliances

Foreign companies operating in India are subject to taxation under the Income Tax Act, 1961 and Goods and Services Tax (GST) Regulations. They are taxed at rates applicable to foreign entities, with variations based on the existence of a permanent establishment (PE) in India. Further, any income remitted abroad is subject to withholding tax as per Double Taxation Avoidance Agreements (DTAA), if applicable.

Additionally, compliance with the FEMA, is mandatory for:

- **Foreign Direct Investments (FDI):** Approvals and sectoral caps as per RBI and government regulations.
- **External Commercial Borrowings (ECB):** Borrowing from foreign sources must comply with RBI norms.
- **Repatriation of Profits:** Any profit repatriation must adhere to FEMA rules and require appropriate disclosures to the Reserve Bank of India ("RBI").

Non-compliance with FEMA regulations can lead to penalties and restrictions on foreign transactions making strict adherence essential for smooth business operations.

Penalties and Enforcement

Failure to comply with regulatory requirements can lead to penalties under Section 392 of the Act, including fines against the company and its officers. Specific penalties are as follows:

- For Foreign Companies- Fine ranging from Rs. 1 Lakh (minimum) to Rs. 3 Lakhs (maximum). In the case of continuing offence, an additional penalty of upto Rs. 50,000/- per day for each day till the non-compliance persists.
- For Officer of the Foreign Company - Fine ranging from Rs. 25,000/- (minimum) to Rs. 5 Lakhs (maximum).

Ensuring compliance is thus essential to avoid financial liabilities and legal consequences.

Conclusion

The Companies Act, 2013, provides a structured regulatory framework for foreign companies in India. Compliance with these regulations ensures smooth business operations, fosters investor confidence and aligns with India's corporate governance standards. Compliance with these regulations is not only a legal obligation but also a crucial factor in facilitating smooth business operations, building investor confidence, and maintaining corporate credibility. By adhering to financial reporting, taxation, governance and sector-specific requirements, foreign entities can mitigate legal risks, avoid penalties and create a stable foundation for sustainable growth in the Indian market. Moreover, staying updated with evolving regulations and aligning with India's corporate governance standards enables foreign companies to operate efficiently, enhance their market reputation and foster long-term business success in one of the world's fastest-growing economies.

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BLISS Tips for the Month

BLISS Tips #312: Explore the various features relating to Agenda Preparation through BLISS!

BLISS provides over 30 advanced features for agenda preparation, significantly streamlining the process and enhancing efficiency in meeting management. To highlight a few:

1. BLISS offers a range of features for managing Shareholder, Board, and Sub-Committee meetings, including pre-drafted preambles and resolutions that can be edited and customized to meet user requirements.

2. Users can customize Agenda outputs to their standard formats, categorize meetings, group agenda items, add meeting details, and save/ finalize/ archive documents

3. It allows viewing and annotating on notices and agendas, wherein users can add their comments, thereby avoiding multiple mail trails, downloading them in different formats (doc and pdf), and uploading relevant documents, including signed files and pre-read materials.

4. Users can manage attachments, track associated compliances, replicate agendas, and restrict access for specific users.

5. The platform further supports assisted search for agenda items, sequencing, and integrating returns and registers, ensuring seamless meeting documentation, compliance tracking and replication of standard formats to the same or group entities.

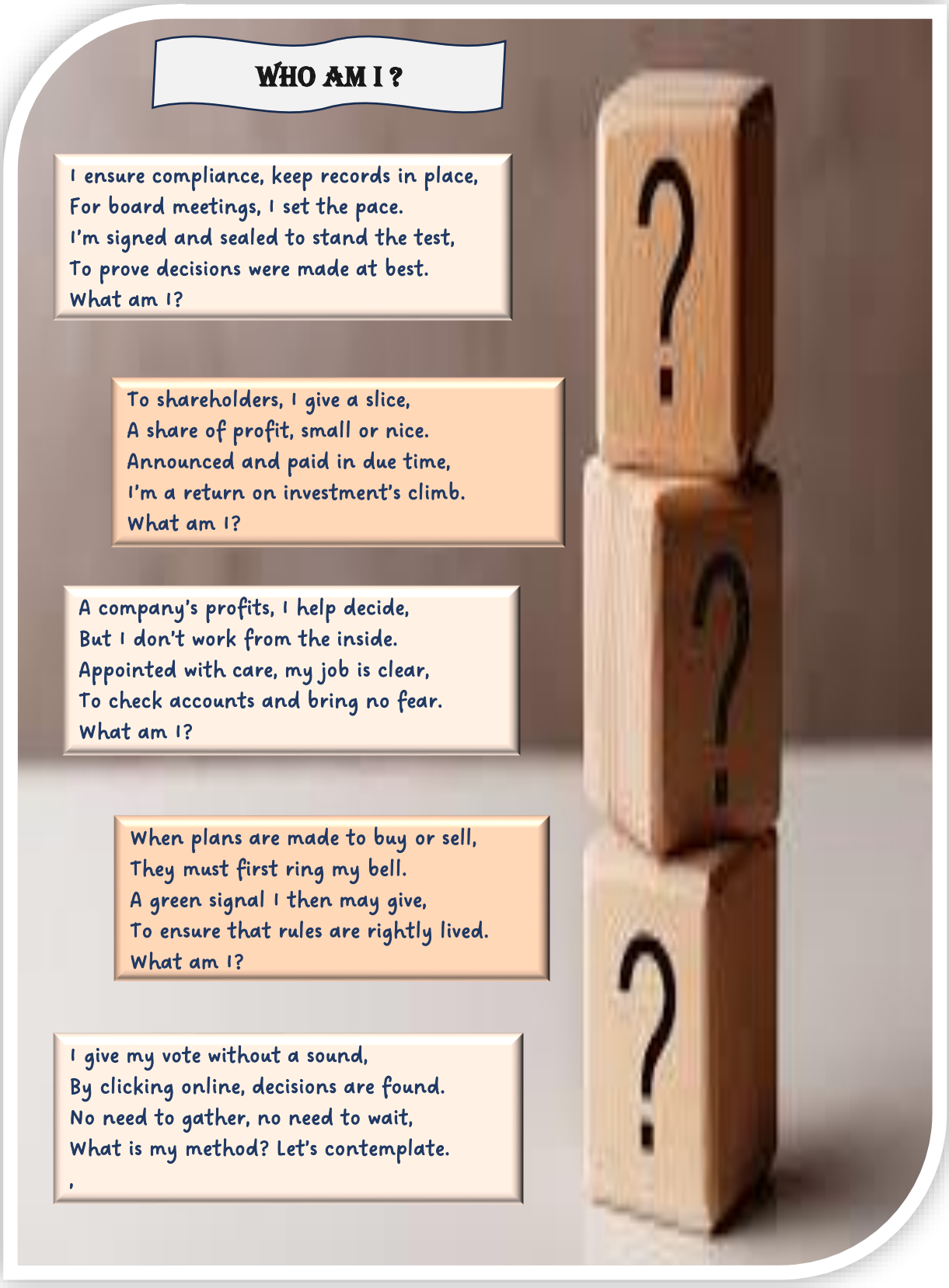
BLISS Tips #313: Replicate specific resolutions easily with advanced search feature on BLISS!

With BLISS, the user can navigate to the meeting where the resolution is to be added, use the advanced search functionality displayed on the top right corner of the screen, perform a filter-based search, viz., Companies, Date (From-To), Type of section and it will retrieve the most accurate results. The identified resolutions can easily be replicated into the current meeting by clicking on the "replicate" button placed adjacent to the search results.

Additionally, this search functionality operates across both Board and Sub-committee Meetings, enabling the seamless replication of resolutions between the aforementioned Meetings.

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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. **ESG rating pursuant to publication of BRSR shall be carried out immediately, but not later than ___ days of the publication of the BRSR.**

a. 30
b. 15
c. 60
d. 45

2. **Under the Companies Act, 2013, the Company is required to disclose the content of _____ policy in the Board's Report and on the Company's website.**

a. CSR Policy
b. RPT Policy
c. Policy under the POSH Act
d. Risk Management Policy

3. **Which of these is not an obligation under ESG compliance?**

a. Environmental impact assessment
b. Social welfare initiatives
c. Maximizing shareholder profits
d. Governance transparency

4. **Which corporate action results in reduction of the share price but increase liquidity?**

a. Bonus issue
b. Stock-split
c. Buyback
d. Rights Issue

5. **Which of the following is NOT considered a Key Managerial Personnel (KMP) under the Companies Act, 2013?**

a. Chief Executive Officer
b. Chief Financial Officer
c. Independent Director
d. Company Secretary

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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

Compliance Calendar for the month of March 2025

Companies Act, 2013			
Sl. No.	**Compliance Requirement**	**Section/ Rules**	**Due Date**
1.	**CSR-2**	Section 135,137 read with Rule 12 of Companies(accounts) Rules,2014	31st March 2025 for the F.Y. 2023-2024. (Extended due date)

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Gist of regulatory changes in Companies Act, 2013, SEBI (LODR), 2015, SEBI (PIT) Regulations, 2015 and Insolvency & Bankruptcy Code, 2016 in the month of February 2025.

- **03-02-2025**

IBBI notifies the IBBI (Voluntary Liquidation Process) (Amendment) Regulations, 2025

Key highlights of the amendment are:

1. The provision to realize the amount by the liquidator due from any contributory to the corporate person has been omitted.

2. The Corporate Voluntary Liquidation Account required to be maintained by the IBBI shall now be maintained with a Scheduled Bank as against the earlier requirement of Public Account of India.

3. A new regulation (41A) has been inserted in IBBI (Voluntary Liquidation Process) Regulations, 2017 for filing of forms which provides for the following:
a. Form No.
b. Period covered and scope
c. Timeline

4. It further entrusts the liquidator with the responsibility of ensuring that the forms filed are accurate and complete.

5. In case of delay in filing the forms, a fee of Rs. 500/- for each calendar month of the delay will have be to paid during submission of the forms.

6. The liquidator shall be liable by the Board for the following:

a. Failure to file a Form along with requisite information and records;
b. Inaccurate or incomplete information or records filed in or along with a Form;
c. Delay in filing the Form

7. Form G has been altered to include the following details w.r.t. Stakeholders entitled to Unclaimed Dividends or Undistributed Proceeds:

a. Amount of tax to be deducted (Rs.)
b. Applicable section of the Income Tax Act, 1961 or any other law under which tax is to be deducted
c. Reason for unclaimed dividends or undistributed proceeds

IBBI notifies the IBBI (Liquidation Process) (Amendment) Regulations, 2025.

Key highlights of the amendment are:

1. The liquidator is now required to submit an application along with the final report and compliance certificate in form H in case of a compromise or arrangement being sanctioned under section 230 of the Companies Act, 2013.

2. The Corporate Liquidation Account required to be maintained by the IBBI shall now be maintained with a Scheduled Bank as against the earlier requirement of Public Account of India.

3. A new regulation (47B) has been inserted in IBBI (Liquidation Process) Regulations, 2017 for filing of forms which provides for the following:

a. Form No.
b. Period covered and scope
c. Timeline

4. It further entrusts the liquidator with the responsibility of ensuring that the forms filed are accurate and complete.

5. In case of delay in filing the forms, a fee of Rs. 500/- for each calendar month of the delay will have be to paid during submission of the forms.

6. The requirement to provide at least fourteen days from issue of public notice for submission of eligibility documents by prospective bidder has been omitted.

5. The liquidator is now required to provide to the prospective bidder, access of the assets under auction to facilitate their inspection and due diligence.

7. The public notice of the auction to be given by the liquidator shall now state that prospective bidders shall submit an undertaking that they do not suffer from any ineligibility under section 29A of the IBC and that if found ineligible at any stage, the earnest money deposited shall be forfeited.

8. The process to be followed by the liquidator post declaration of the highest bidder of the auction is provided for in the notification.

9. Form I has been altered to include the following details w.r.t. Stakeholders entitled to Unclaimed Dividends or Undistributed Proceeds:

a. Amount of tax to be deducted (Rs.)

b. Applicable section of the Income Tax Act, 1961 or any other law under which tax is to be deducted
c. Reason for unclaimed dividends or undistributed proceeds

- **05-02-2025**

IBBI notifies the IBBI (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2025

Following provisions have been introduced vide this notification:

1. For Corporate Debtors with real estate project, the following provisions will apply:

    - After obtaining the approval of the Committee of Creditors ("Committee") with at least 66% of total votes, the Resolution Professional ("RP") shall hand over the possession of the plot, apartment, or building or any instruments agreed to be transferred under the real estate project to the allottee and facilitate registration.

    - The Committee may direct the RP to invite the 'competent authority' related to such project to attend such meeting(s) of the Committee, as the Committee may decide, without voting rights, for providing inputs on matters associated with the development of such project.

    - The RP shall prepare a report giving out all the details of the status of development rights and permissions required for the development of such a project and submit the report to the Committee for its comments. The report along with the comments of the Committee is to be submitted to the Adjudicating Authority on or before the 60th day from the insolvency commencement date.

    - Relaxation has been provided for performance security for an association or group of allottees in such a real estate project, representing not less than 10% or 100 creditors out of the total number of creditors in a class, whichever is lower.

2. In case the number of creditors in a class exceed 1000, the Committee may direct the interim resolution professional or resolution professional, to appoint an insolvency professional other than the interim resolution professional, resolution professional and authorised representative, as the Facilitator for a sub-class within the creditors in a class subject to other conditions as set out in the notification.

3. The notification has also laid down the roles and responsibilities of the facilitator appointed, who may get replaced on the recommendation of a majority of the members of the sub-class.

4. Insolvency resolution process costs shall now also include fee payable to facilitator for each sub-class.

5. The detailed invitation in Form G shall now also provide details of the corporate debtor's registration status as a micro, small, or medium enterprise in accordance with the Micro, Small and Medium Enterprises Development Act, 2006.

6. The Committee shall consider setting up a Monitoring Committee to monitor and supervise the implementation of the resolution plan in a manner as specified and if constituted shall submit quarterly reports to the Adjudicating Authority regarding the status of implementation of resolution plan.

- **10-02-2025**

Clarification w.r.t. minimum gap for corporate actions as specified in Regulation 42 of SEBI (LODR) Regulations, 2015

BSE and NSE vide their respective circulars clarify that the minimum gap between Board/ Shareholders' approval and the record date shall be at least 3 working days and shall exclude the date of the Board/ Shareholder approval and the actual Record Date.

Further, the listed entities are not required to announce the date of closure of their transfer books due to omission of the said sub-regulation.

- **12-02-2025**

Intimation to the Board on the appointment of Insolvency Professional under various processes under the Code

This circular from the IBBI mandates that Insolvency Professionals (IPs) formally record their assignments on the IBBI portal upon appointment across various roles in addition to the ones presently mentioned under the IBC.

It further refines the Assignment Module to ensure compliance, streamline processes, and enhance record-keeping.

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IPs must now update their assignments on the IBBI portal upon appointment in the following processes and capacities:

a. **Interim Resolution Professional (IRP)** – Corporate Insolvency Resolution Process (CIRP).
b. **Resolution Professional (RP)** – CIRP.
c. **Liquidator** – Liquidation Process.
d. **Liquidator** – Voluntary Liquidation Process.
e. **Resolution Professional** – Insolvency Resolution for Personal Guarantors.
f. **Bankruptcy Trustee** – Bankruptcy Process for Personal Guarantors.
g..**Administrator** – Insolvency & Liquidation Proceedings of Financial Service Providers.

This ensures compliance, transparency, and structured reporting under the Insolvency and Bankruptcy Code, 2016.

Timelines specified for filing of the said assignments are as follows :

- For New cases: within 3 days of appointment
- For Ongoing cases where the assignment has not already been added: by Feb 28, 2025, and
- For Closed cases: by Mar 31, 2025 (Apr 30, 2025, for Personal Guarantors).

IPs may access the IBBI portal using unique login credentials. Post the assignment approval, they must fulfill compliance requirements like public announcements, EOIs, and auction notices as per the Code.

- **13-02-2025**

Mandatory requirement for Dematerialization of Shares for Private Companies Extended

The due date for all Private Companies (except Producer Companies), which are not Small Companies as on or after 31st March 2023, for mandatorily dematerializing their securities has been extended to 30th June 2025.

- **17-02-2025**

Industry Standards on "Minimum information to be provided to Audit Committee and Shareholders for approval of a Related Party Transaction (RPT)"

The Industry Standards Forum (ISF)—comprising ASSOCHAM, CII, and FICCI, under the guidance of stock exchanges—has developed Industry Standards in consultation with SEBI outlining the minimum information required for review and approval of material RPTs by Audit Committee and Shareholders.

Part A and Part B of Section III-B of SEBI Master Circular dated November 11, 2024 ("Master Circular") specify the information to be placed before the Audit Committee and shareholders, respectively, for consideration of RPTs and vide this Circular the same shall stand modified to have the following effect:

- The entity shall while placing any proposal for review and approval of an RPT, provide the Audit Committee with such information and
- Include in the Notice sent to the shareholders seeking approval for any RPT as a part of the explanatory statement

as specified in the Industry Standards on "Minimum information to be provided for review of the Audit Committee and Shareholders for approval of a related party transaction".

This circular shall come into effect from April 1, 2025

- **26-02-2025**

Industry Standards on Regulation 30 of SEBI (LODR) Regulations, 2015

The Industry Standards Forum (ISF)—comprising ASSOCHAM, CII, and FICCI, under the guidance of stock exchanges—has developed Industry Standards in consultation with SEBI for effective implementation of the requirement to disclose material events or information under Regulation 30 of SEBI (LODR) Regulations, 2015. The Industry Standards Note specifies certain disclosures and formats to ensure uniformity across different listed entities and for effective implementation of regulatory directions.

Main Aspects of Regulation 30 covered in the aforementioned Circulars:

1. Applicability of numerical thresholds to certain companies;

2. Interpretation of terms mentioned in the Regulations and Schedules such as - "value or the expected impact in terms of value", "last audited consolidated financial statements", "significant market reaction", "cumulative basis", amongst others;

3. Materiality for disclosure on action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the

4. Disclosure of show cause notices, confidential litigation / dispute / order / action initiated or taken;

5. Disclosure of events or information which emanate from a decision taken in a meeting of Board of Directors;

6. Compliance of timelines for disclosure under Regulation 30(6);

7. Disclosure for resignation of KMPs, senior management, etc;

8. Disclosure of fraud or default and of communication from regulatory, statutory, enforcement or judicial authority;

9. Disclosure of winding up petition;

10. Disclosure of frauds or defaults by employees;

11. Disclosure of guarantees and indemnity;

12. Disclosure of announcement/ communication through social media intermediaries or mainstream media;

13. Disclosure of schedule of analysts or institutional investors meet at least two working days in advance;

14. Disclosure of proceedings of AGMs and EGMs;

15. Intimation of forfeiture/restriction on transferability.

These standards further define SOPs for compliance with the Continuous Disclosure Requirements. All listed entities shall ensure compliance with the aforesaid standards to fulfil the requirements of Regulation 30.

Solution for Riddles	**Solution for Quiz**
1. Minutes of the Meeting	1. D
2. Dividend	2. A
3. Statutory Auditor	3. C
4. Pre-clearance approval	4. B
5. E-voting	5. C

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About CimplyFive

Mission

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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