,



Editorial

The Digital Personal Data Protection ("DPDP") Act, 2023, introduces a much-needed legal framework to safeguard personal data in India's fast-paced digital landscape. It emphasizes accountability, transparency and security in data processing while ensuring individuals' privacy rights are respected. With this, we are now very much aligned with global standards while addressing the challenges of rapid digitization. As digital transactions proliferate, the DPDP Act is a crucial step toward fostering trust and security in the digital economy. This article provides an overview of the DPDP Act, on understanding the process, enumerating the rights and duties of the stakeholders.

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

Happy reading,
Team CimplyFive
April 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 **49 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 March 2025 here is based on visitors to our site.

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

Rank in Feb	Change in Rank	Rank in Mar	Section	Section Title
N	↑	1	62	Further issue of share capital
N	↑	2	135	Corporate Social Responsibility
1	↓	3	179	Power of Board
2	↓	4	188	Related party transactions
N	↑	5	149	Company to have Board of Directors

Sections 186, 177 and 180 have been replaced with Sections 62, 135 and 149 in the top 5 Rankings.

LODR Top 5 Chartbuster Regulations

Rank in Feb	Change in Rank	Rank n Mar	Regulation	Regulation title
1	↔	1	30	Disclosure of Events or Information
2	↔	2	23	Related party transactions
3	↔	3	17	Board of Directors
N	↑	4	2	Definitions (Chapter 1)
N	↑	5	16	Definitions (Chapter 4)

Regulation 33 and 47 have been replaced with Regulation 2 and 16 in the top 5 ranking.

IB Code Top 5 Chartbusters

Rank in Feb	Change in Rank	Rank in Mar	Section	Section Title
N	↑	1	59	Voluntary liquidation of corporate persons.
N	↑	2	5	Definitions (Part 2, Chapter 1)
N	↑	3	3	Definitions (Part 1)
N	↑	4	33	Initiation of liquidation
1	↓	5	6	Persons who may initiate corporate insolvency resolution process

Sections 9, 30, 29 and 10 have been replaced with Sections 59, 5, 3 and 33 in the top 5 Rankings.

 Copyright © 2025, CimplyFive

Article of the Month:

The Digital Personal Data Protection Act, 2023: An Overview

The Digital Personal Data Protection ("DPDP") Act, 2023, marks an important milestone in our country towards safeguarding personal data in an increasingly digital world. It establishes a structured framework for handling digital personal data, ensuring accountability, transparency, and compliance with defined principles.

Why Do We Need This Legislation?

1. **Everything is going (or have gone) digital**! – With rapid digitization across industries, vast amounts of personal data are being collected, stored, and processed. A dedicated legal framework is essential to ensure its responsible handling.
2. **Regulation is necessary** – Given the widespread prevalence of digital transactions and interactions, clear guidelines are required to prevent misuse, unauthorized access, and breaches of personal data.
3. **Redressal mechanism** – In case of data mismanagement, individuals need a well-defined process and authority to approach for grievances and corrective actions. The DPDP Act establishes mechanisms to address such concerns effectively.

Understanding the core provisions of the DPDP Act is crucial and this article provides an overview of its key aspects and implications. However, the recently published Draft Rules under the DPDP Act is excluded from the scope of this Article.

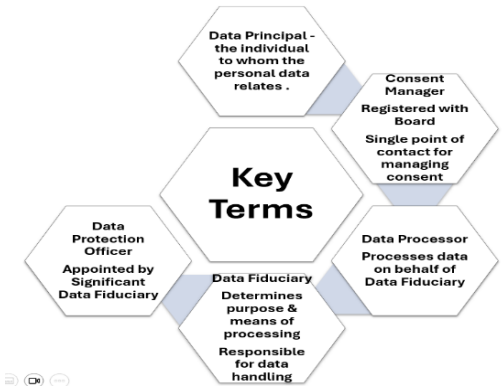
Scope of the Act: Applicability and Exemptions

Where the Act Applies:

- Digital personal data processing within India, whether collected in digital form or later digitized.
- Digital personal data processing outside India when related to offering goods or services to Data Principals within India.

Where the Act Does Not Apply:

- Personal data processed by individuals for personal or domestic use.
- Personal data made publicly available by the Data Principal or any other person who is legally obligated to do so.



Data Processing: Understanding Consent and Rights

Data processing involves handling personal data in compliance with legal frameworks to protect the rights of individuals. The following outlines the key aspects related to data processing, including consent, information requirements, and the right to withdraw consent.

a) Lawful Purpose and Consent for Data Processing

A person may process the personal data of a Data Principal only in accordance with the provisions of this Act and for a lawful purpose. These purposes include cases where the Data Principal has provided explicit consent or where the processing is for legitimate uses outlined in the Act. *This ensures that personal data is not processed arbitrarily or without a valid purpose.*

b) Consent Request and Information Requirements

Whenever a request for consent is made to a Data Principal, it must be accompanied by a notice from the Data Fiduciary. This notice should clearly inform the Data Principal about the personal data being processed, the purpose of processing, how the Data Principal can exercise their rights under the Act, and how they can file a complaint with the Board. *The notice ensures transparency and helps Data Principals make informed decisions before agreeing to share their personal data.*

c) Clear and Accessible Consent Requests

All consent requests must be presented in clear and simple language, allowing the Data Principal to understand the nature of the request. Additionally, the request must be available in multiple languages, including any language specified in the Constitution's Eighth Schedule, (that lists 22 languages recognized as official languages).If applicable, the contact details of a Data Protection Officer or an authorized representative of the Data Fiduciary should also be provided. *This helps the Data Principal understand how to exercise their rights and ensures accessibility for all individuals, regardless of language barriers.*

d) Right to Withdraw Consent

Data Principals have the right to withdraw their consent at any time, and this process must be as simple and convenient as providing consent. Withdrawal of consent should not affect the legality of data processing that occurred before the withdrawal, but any consequences of the withdrawal, such as cessation of services, will be borne by the Data Principal. *This empowers individuals to control the processing of their personal data while ensuring their prior consent remains respected.*

Uses of Data: Where and How It Can Be Processed

- **Consent-based Use**: Personal data may be processed for the purpose for which the Data Principal voluntarily provided it, as long as no objection to its use has been raised.
- **Government Services**: Data may be used by the State or its instrumentalities to provide subsidies, benefits, services, or permits, subject to prior consent or availability in government databases.
- **Sovereignty and Security**: Data may be processed for functions related to national sovereignty, integrity, or security, as prescribed by law.
- **Legal Obligations**: Data may be used for fulfilling legal obligations, including mandatory disclosures or requirements under existing laws.
- **Compliance with Judgments**: Data may be processed for compliance with judgments, orders, or decrees under Indian or foreign laws, especially in contractual or civil matters.
- **Medical Emergencies**: Data may be processed to respond to a medical emergency involving a threat to life or health.
- **Public Health Measures**: Data may be used to provide medical treatment or health services during epidemics, disease outbreaks, or public health threats.
- **Disaster and Public Order**: Data may be used to ensure individual safety or provide assistance during disasters or public order breakdowns.
- **Employment-related Uses**: Data may be processed for employment purposes or to safeguard employers from risks such as corporate espionage, confidentiality breaches, or loss.

Duties of a Data Fiduciary: Responsibilities and Safeguards

- **Compliance Responsibility**: A Data Fiduciary is responsible for complying with the provisions of the Act, irrespective of any agreements or the failure of the Data Principal to fulfil their duties. This responsibility extends to processing undertaken by a Data Processor on behalf of the Fiduciary. *This duty ensures that the processing of personal data is done legally and ethically, protecting the rights of the Data Principal.*
- **Technical and Organisational Measures**: The Data Fiduciary must implement appropriate technical and organizational measures to ensure compliance with the Act and its rules, ensuring effective protection of personal data. *By taking these measures, the Fiduciary ensures that personal data is securely processed and protected from misuse or breach.*
- **Data Protection and Security**: A Data Fiduciary must take reasonable security safeguards to prevent personal data breaches and ensure the protection of data under its control or possession, including any data processed by a Data Processor. *This duty is vital to safeguard against data breaches, which could lead to harm or exploitation of the Data Principal's personal information.*
- **Data Retention and Erasure**: Unless required by law, the Data Fiduciary must erase personal data when the Data Principal withdraws consent or when it is reasonable to assume the data is no longer needed for its specified purpose. It must also ensure any data held by a Data Processor is erased accordingly. *This ensures that personal data is not retained longer than necessary, protecting individuals from unnecessary exposure or misuse of their information.*
- **Grievance Redressal Mechanism**: A Data Fiduciary is required to establish an effective mechanism for addressing grievances from Data Principals. *This duty helps maintain trust and accountability, providing a clear process for Data Principals to address concerns or issues with data processing.*
- **Significant Data Fiduciary**: The Central Government may designate certain Data Fiduciaries as Significant Data Fiduciaries based

on factors like data volume, sensitivity, potential risks to data principals' rights, national security, and public order. These entities have additional obligations, such as:

- Appointing a Data Protection Officer and an independent data auditor.
- **Mandatory Audits and Assessments**: Significant Data Fiduciaries must perform periodic Data Protection Impact Assessments, audits, and take necessary measures to evaluate and manage risks to Data Principals' rights. *This duty ensures that entities with large or sensitive data volumes follow strict measures to minimize risks to individuals' privacy and to safeguard national and public interests.*

Rights and Duties of a Data Principal

Rights of a Data Principal

- **Access to Personal Data**: The Data Principal has the right to obtain a summary of the personal data being processed, the activities related to it, and information about data sharing with other Data Fiduciaries or Data Processors. *This right ensures transparency, enabling the Data Principal to know how their data is being used and shared.*
- **Correction and Erasure**: The Data Principal has the right to request the correction, completion, updating, or erasure of their personal data. *This empowers individuals to maintain accurate and up-to-date information and ensures data is erased when no longer necessary.*
- **Grievance Redressal**: The Data Principal has the right to easily access a grievance redressal mechanism provided by the Data Fiduciary or Consent Manager. *This ensures that Data Principals have a clear path to resolve issues regarding the processing of their personal data.*
- **Exhaustion of Grievance Mechanism**: The Data Principal must exhaust the grievance redressal process before approaching the Board. *This ensures that concerns are addressed at the initial level before escalation.*
- **Nomination Right**: The Data Principal has the right to nominate an individual or entity to act on their behalf as prescribed. *This allows the Data Principal to delegate the exercise of their rights to a trusted third party.*

Duties of a Data Principal

- **Compliance with Laws**: The Data Principal must comply with all applicable laws when exercising rights under the Act. *This ensures the exercise of rights is in accordance with legal standards and requirements.*
- **Authenticity and Accuracy**: The Data Principal must not impersonate others or provide false information when sharing personal data or documents. *This helps maintain data integrity and prevents misuse of personal information.*
- **No Suppression of Material Information**: The Data Principal must not withhold any critical information when providing personal data or official documents. *This ensures that personal data is complete and reliable for processing purposes.*
- **Avoiding False Complaints**: The Data Principal must not file false or frivolous grievances with the Data Fiduciary or Board. *This promotes the fair use of grievance mechanisms and prevents misuse of the complaint system.*
- **Providing Authentic Information**: The Data Principal must ensure the information provided is verifiably authentic when requesting corrections or erasures of their data. *This helps maintain the accuracy and legitimacy of personal data processing.*

Penalties

Breach of the provisions of this Act or the rules made thereunder may result in penalties ranging from ₹10,000 to ₹250 crores. All penalties collected by the Board for violations will be credited to the Consolidated Fund of India, contributing to the national treasury.

Conclusion

As digital data processing expands rapidly, the need for strong data protection mechanisms is crucial. The penalties for non-compliance act as a deterrent, urging organizations to prioritize data security and legal compliance. With the global landscape of data privacy evolving, India's efforts to protect personal data play a key role in safeguarding individual rights and fostering trust. These efforts also help align with international standards, ensuring India remains competitive. Adhering to these provisions is essential for both protecting privacy and maintaining the integrity of India's growing digital economy.

BLISS Tips for the Month

BLISS Tips #314: Conduct a paperless Board Meeting with integration of BLISSLISTED/ BLISSPLUS and BLISSDOCS!

BLISSDOCS is an Android/IOS compatible app for Directors integrated with BLISSLISTED & BLISSPLUS, which essentially means that all the documents (Agenda/Minutes/Circular Resolutions) finalized through BLISS, automatically gets pushed to the app as well, basis the access provided.

Key Features of BLISSDOCS application:

- Directors can confirm their availability for a meeting, review and annotate (one - one or one - many) on documents of previous as well as upcoming meetings, using their mobile devices or tablets.
- Documents can be viewed online/offline.
- Supports large Agendas, Minutes, Annexures & supplementary documents for seamless access.
- Enables voting on Circular Resolutions.
- Enables confidentiality through password/fingerprint/ face ID authentication and restricts screenshots or downloads for security concerns.
- Invitees of the meeting may also be added to specific meeting.
- Easily distinguished by nature and type of meetings with start time & Maps location or VC link, as the case may be
- Fully integrated with Video Conferencing applications such as Teams, Google Meet, etc.

BLISSDOCS enhances accessibility, streamlining document review while maintaining the highest security standards, to conduct completely paperless meetings. It enables easy collaboration to make Board meetings more efficient and productive.

BLISS Tips #315: With BLISS, maintain a repository of Past Records with customized Sections!

BLISS enables the users to maintain a comprehensive repository of Past Records since inception, categorised by financial year, meeting type (Board/ Sub-committee/ General meetings), and document variation (Agendas, Minutes, Returns, and other documents). The tool also has an in-built Optical Character Recognition ("OCR") facility to make the documents readable and searchable.

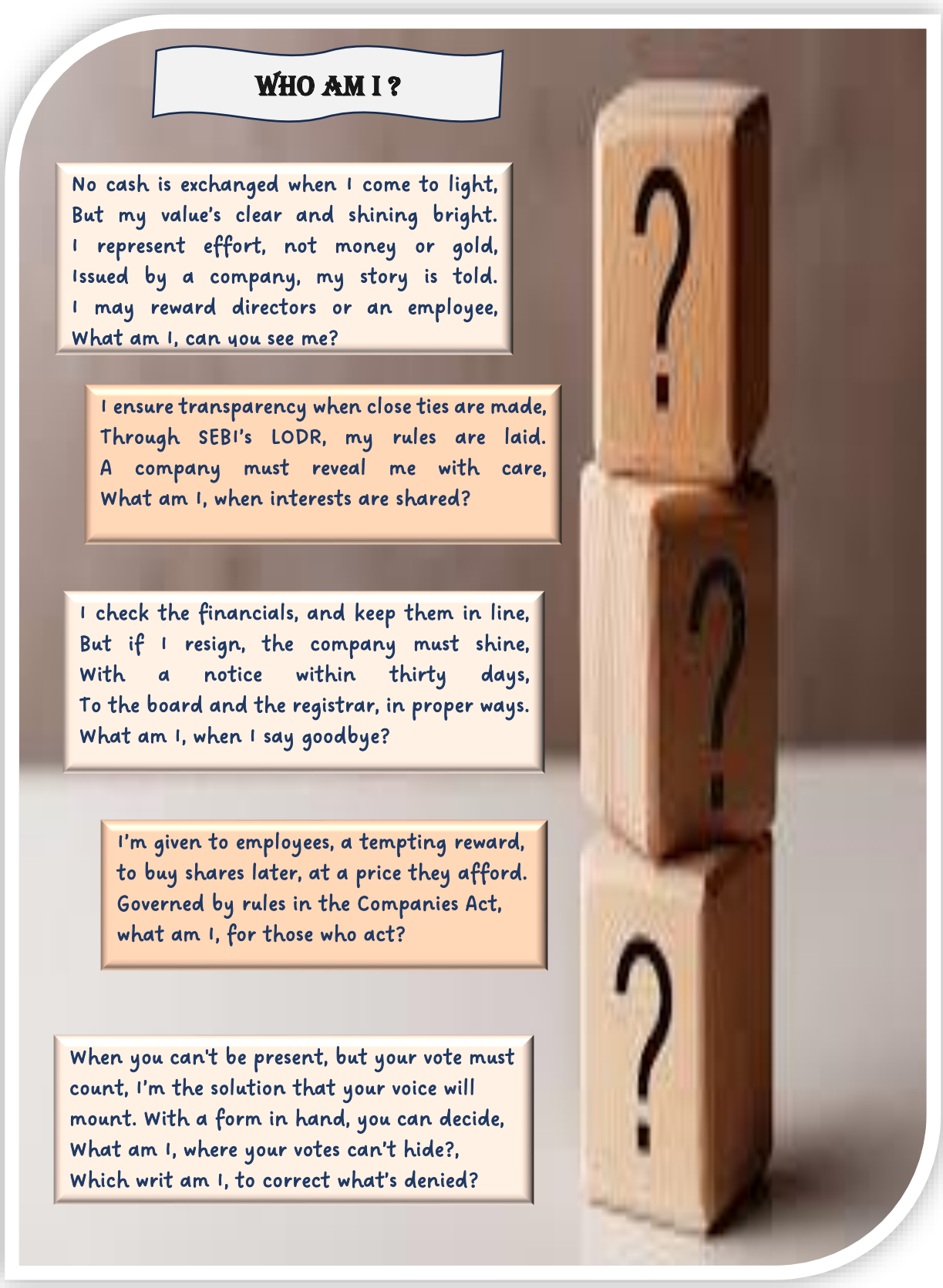
In addition to the predefined meeting categories, users can create additional custom sections to store data with no upper limit, making it adaptable to various organizational structures and workflows.

Access can be granted to different users for a designated section, ensuring controlled and secure data sharing. Admin has the right to 'Lock" the records of a specific period as per the Archival policy of the Company, making the Records tamper-resistant. Serving as a virtual data room, BLISS allows organizations to store and access documents since inception, ensuring seamless record management and retrieval.

.

 Copyright © 2025, CimplyFive

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



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

1. **Is it mandatory for a company to file Form ADT-1 with the Registrar of Companies (ROC) after the appointment of the first auditor under section 139(6) or 139(7)**

a. Yes, it is mandatory.
b. No, it is not mandatory.
c. It is optional for private companies.
d. Only for listed companies.

2. **What is the time limit for filing FC-TRS after the transfer of shares or securities between a resident and a non-resident?**

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

3. **No offer of buy-back shall be made within a period of __ reckoned from the date of the closure of the preceding offer of buy-back**

a. 6 months
b. 1 Year
c. 3 months
d. 18 months

4. **Proxy shall not have the right to speak at such meeting and shall not be entitled to vote except on a __**

a. Poll
b. E-Voting
c. Remote E-voting
d. Show of Hand

5. **The appointment of proxy shall be in Form No. ___**

a. MGT-11
b. MGT-7
c. MGT-14
d. MGT-1

 Copyright © 2025, CimplyFive

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 April 2025

Compliances for Companies under Companies Act, 2013			
Sl. No.	**Compliance Requirement**	**Section/ Rules**	**Due Date**
1.	MBP-1- Disclosure of interest	184(1)	First Board Meeting of the Financial Year in which each Director shall disclose his interest in the other entities.
2.	Form DIR - 8: Disclosure of non-disqualification.	164(2) and Rule 14(1)	1st April 2025
3.	MSME-1- Half yearly MSME Return for October to March period	Companies (Furnishing of information about Payment to Micro and Small Enterprise Suppliers) Order, 2019	30th April 2025
SEBI (LODR) Regulations, 2015 Compliances			
Sl. No.	**Compliance requirement**	**Regulation reference**	**Timeline**
1.	Integrated Filing (Governance): Statement of redressal of Investor Grievances and Compliance Report on Corporate Governance	13(3) & 27(2)(a)	Within 30 days from the end of the quarter. By 30th April 2025
2.	Annual Listing Fees	14	Within 30 days from the end of the quarter. By 30th April 2025
3.	Shareholding Pattern	31 (1) (b)	Within 21 days from the end of the quarter. By 21st April 2025
SEBI (Depositories and Participants) Regulations, 2018			
Sl. No.	**Compliance requirement**	**Regulation reference**	**Timeline**
1	Reconciliation of Share Capital Audit Report	76	Within 30 days from the end of the financial year By April 30th 2025

 Copyright © 2025, CimplyFive

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

- **03-03-2025**

Extension of single filing system for Integrated Filing (Governance)

Vide these circulars, the Stock Exchanges have extended the single filing system for Integrated filing (Governance) w.e.f. March 01, 2025. The single filing system is now available for the following disclosures:

1. Investor Grievance Report
2. Corporate Governance Report
3. Reconciliation of Share Capital Audit Report
4. Meetings of shareholders and voting
5. Integrated filing (Governance)

Single filing system for the following will be introduced at a later stage:

1. Investor Grievance Report for REITs and INVITs
2. Corporate Governance Report and Integrated Filing (Governance) for Exclusively Debt Companies, REITs and INVITs paid during submission of the forms.

- **13-03-2025**

SEBI notifies the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2025

Key highlights of the amendment are:

1. The definition of Unpublished Price Sensitive Information ("UPSI") has been amended to include the following but not limited to:

   a. Awards or termination of orders/ contracts not in the normal course of business;
   b. Change in ratings (Other than ESG ratings);
   c. Fund raising proposed to be undertaken;
   d. Fraud or defaults by the company, its Promoter, Director, Key Managerial Personnel ("KMP"), or Subsidiary or arrest of KMP, Promoter or Director of the company, whether occurred within India or abroad;
   e. Outcome of any litigation or dispute which may have impact on the Company.

2. For UPSI not emanating from the listed entity:

   a. A timeline of 2 calendar days has been introduced to enter the information to the Structured Digital Database;
   b. Trading window may not be closed.

The said notification shall be effective from 09/06/2025, i.e., 90 days from the date of publication in the Gazette.

- **17-03-2025**

Frequently Asked Questions (FAQs) on Applicability of the Industry Standards on "Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction ("RPT")".

To facilitate a uniform approach and assist listed entities in complying with Part A and Part B of Section III-B of ***SEBI Master Circular dated November 11, 2024*** ("Master Circular") and any modifications thereof, Industry Standards Forum (ISF)—comprising ASSOCHAM, CII, and FICCI, under the guidance of stock exchanges—has developed industry standards in consultation with SEBI. These standards outline the minimum information required for audit committee and shareholder review of RPTs.

In this regard, Stock Exchange has released FAQs clarifying the applicability of aforementioned standards.

1. Applicability Based on Approval Date

Approval/ratification of RPT:

• before April 1, 2025: Industry Standards shall not be applicable.
• on or after April 1, 2025: Industry Standards shall be applicable.

2. Pre-approved RPTs

If RPTs are approved before April 1, 2025, for future execution on or after April 1, 2025, no re-approval is needed under Industry Standards unless there's any material modification to such RPTs.

3. Omnibus Approval for FY 2025-26

If approval is granted before April 1, 2025, fresh approval as per Industry Standards disclosures is not required unless there's any material modification to such RPTs.

4. Material RPTs

• In case the Audit Committee has approved the RPT before April 1, 2025, and the shareholder notice was sent before or is sent on or after April 1, 2025, Industry Standards shall not be applicable.

• In case both Audit Committee and Shareholders approve the Material RPT on or after April 1, 2025, Industry Standards shall be applicable.

- **18-03-2025**

Disclosure of information relating to carry forward of losses in Information Memorandum (IM)

With an intent to make the disclosure of carry forward of losses in the IM more robust, the Insolvency Professionals are advised to include a dedicated section in the IM explicitly detailing the carry forward of losses under the Income Tax Act, 1961 ("IT Act"). It also aims at providing potential resolution applicants with a more comprehensive understanding of the Corporate Debtor's ("CD") financial position, enabling them to develop more informed and viable resolution plans.

The section shall highlight the following but not limited to:

1. The quantum of carry forward losses available to the CD;
2. A breakdown of these losses under specific heads as per the IT Act;
3. The applicable time limits for utilizing these losses; and
4. If there are no carry forward of losses available to the CD, the IM should explicitly specify the fact.

- **21-03-2025**

Disclosure of holding of specified securities and holding of specified securities in dematerialized form

Pursuant to *Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024* (as amended), read with Regulation 31 of the SEBI (LODR), 2015, prescribed formats for disclosing holding of specified securities and shareholding patterns are provided in the Circular.

SEBI has partially modified the Relevant Annexure to enhance clarity and transparency in shareholding pattern disclosures, as detailed below:

1. Changes to Table I-IV:

- Non-Disclosure Undertakings (NDUs), any other encumbrances, and total pledged/encumbered shares shall be disclosed.
- It is clarified that the Column for underlying outstanding convertible securities includes ESOPs and warrants.
- Addition of a new column to capture the total number of shares on a fully diluted basis (including warrants, ESOPs, convertible securities, etc.).

2. Changes to Table II:

- Addition of a footnote to access the details of promoters and promoter group with "nil" shareholding.
- The revised formats are provided in Annexure A of the said Circular.

This Circular shall come into force w.e.f. the quarter ending June 30, 2025.

Online Filing System for reports filed under Regulation 10(7) of SEBI (Substantial Acquisition of Shares and Takeovers) ["SAST"] Regulations, 2011

Pursuant to the SAST Regulations, acquirers must submit reports to SEBI for acquisitions as per the General exemptions. Currently, these reports are submitted via email.

To streamline the submission and processing of reports in this regard, SEBI has introduced an online filing system via the SEBI Intermediary Portal (SI Portal) (https://siportal.sebi.gov.in).

Phase 1 Implementation:

- Online filing is enabled for two reports, specifically for exemptions for acquisition pursuant to inter se transfer of shares amongst qualifying persons, being immediate relatives and persons named as promoters in the shareholding pattern filed by the target company in the prescribed manner.
- Reports for other exemptions will continue to be filed via email as per the existing process.

 Copyright © 2025, CimplyFive

Mechanism for Filing Reports under Phase 1:

- **Till May 14, 2025-** Can be filed both via email and the SI Portal.
- **W.e.f. May 15, 2025-** These reports must be filed exclusively through the SI Portal.
- **Fees Payment-** Effective immediately, payment of fees for the abovementioned reports shall be enabled through the SI Portal and the process shall be completed only after such payment is made through the said portal. Fee payment via SEBI's existing payment module will no longer be available.
- **Support-** For queries, contact the Portal Helpline at +91 22-2644-9364 or portalhelp@sebi.gov.in.

The provisions of this circular shall come into effect from the date of this circular, i.e., March 20, 2025.

- **24-03-2025**

Change in effective date for applicability of Minimum information to be provided for review of the Audit Committee and shareholders for approval of a Related Party Transaction (RPT)

SEBI, vide this circular, has extended the effective date for the applicability of the Industry Standards on "Minimum information to be provided for review of the Audit Committee and shareholders for approval of a RPT" from April 1, 2025 to July 01, 2025.

In addition, the Industry Standards Forum ("ISF") comprising representatives from ASSOCHAM, CII and FICCI, which had formulated the Industry Standards, shall take the feedback received from various stakeholders to simplify the same, and accordingly release updates within the revised timelines.

BSE, vide its circulars dated March 21, 2025 brings to the notice of their listed entities the following SEBI Circulars:

1. Circular dated March 20, 2025 focusing on modifications in the shareholding pattern disclosures with an aim to enhance clarity and transparency.

2. Circular dated March 20, 2025 focusing on introduction of online filing system via the SEBI Intermediary Portal for submission of reports to SEBI for acquisitions as per the General exemptions, as per the SEBI (SAST) Regulations, 2011.

- **28-03-2025**

Amendments to SEBI (LODR) Regulations, 2015 w.r.t to Listed Entity which has listed its Non-Convertible Debt Securities ("NCDs") and Entities which have listed its Securities in SME exchange

Key highlights of the amendment are:

High Value Debt Listed Entities:

1. The threshold for applicability of Regulations 15 to 27 of SEBI LODR to High-Value Debt Listed Entities ("HVDLE") has been increased from ₹500 crore to ₹1,000 crore or more in outstanding value of listed NCDs. The entities falling under the aforementioned thresholds must comply with these provisions within 6 months and disclose the same in the Corporate Governance report starting from the third quarter after the trigger date.

2. Once these provisions become applicable to HVDLE, it shall continue to apply till the value of the outstanding listed debt securities as on March 31 (in any year), reduces and continues to be below the specified thresholds for a period of 3 consecutive financial years ("FY").

3. HVDLE will be excluded from the count for maximum number of committees in which a director can be a member or chairperson.

4. Corporate Governance Norms for a Listed Entity having listed NCDs have been inserted under Chapter VA providing guidelines on governance of HVDLE (Determined on the basis of value of principal outstanding of listed debt securities as on March 31, 2025).

SME Listed Entities:

5. Regulation 23 for Related Party Transactions ("RPT") shall become applicable to securities listed in SME exchange having paid-up equity share capital of more than Rs. 10 crores, or net worth of more than Rs. 25 crores, as on the last day of previous FY. Such entities shall ensure compliance within 6 months from such date.

6. Once the provision becomes applicable to an SME-listed entity, they shall continue to remain applicable till such time the equity share capital and the net-worth of such entity reduces and continues to be below the threshold for a period of 3 consecutive FYs.

7. Threshold limits for materiality of RPT for SME listed entities:

- if the transaction(s) to be entered into individually or taken together with previous transactions during a FY, exceeds Rs. 50 Crore or
- 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements, whichever is lower.

Maximum Directorships:

8. For calculating the maximum number of directorships in listed entities, the directorships in HVDLE shall also be considered in addition to equity listed entities. Directorships held on an ex-officio basis due to statute or applicable contractual framework in case of public sector undertakings and entities set up under a public private partnership arrangement, shall not be included in the calculations.

Note: The provision for directorships shall be effective after 6 months from the date of publication of SEBI (LODR) (Amendment) Regulations, 2025 in the Official Gazette or the date of AGM, whichever is later.

Solution for Riddles	**Solution for Quiz**
1. Sweat Equity Shares	1. B
2. Related Party Transaction	2. B
3. Resignation of Auditor	3. B
4. ESOP	4. A
5. Postal Ballot	5. A

.

 Copyright © 2025, CimplyFive

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



To view the previous issues of *iComply* click here

 Copyright © 2025, CimplyFive