



**Sanjay Grover &  
Associates**  
Company Secretaries

# SGA LEGAL NEWSLETTER

For the month of September, 2024



# Overview

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# About us

**Sanjay Grover & Associates** is a Firm of Company Secretaries, established in 2001, whose constant endeavor is to craft a premier professional practice providing high quality services and integrating value added knowledge, for its people, clients and society as a whole.

The Organization is backed by a team of multi- disciplinary professionals who possess the inherent qualities of converting the challenges into opportunities by sincerity, passion and determination.

The dynamic professionals of the organization are very well exposed in dealing with various regulatory authorities like Registrar of Companies (ROC), Regional Director (RD), Ministry of Corporate Affairs (MCA), National Company Law Tribunal (NCLT), National Company Law Appellate Tribunal (NCLAT), Insolvency and Bankruptcy Board of India (IBBI), Competition Commission of India (CCI), Securities & Exchange Board of India (SEBI), Stock Exchanges, Reserve Bank of India (RBI) etc. The firm works with a progressive mindset and serves its clients with results and quality; it has the zeal and potential to handle challenging and wide range of assignments.

*Disclaimer: This Legal Newsletter for the month of August, 2024 has been prepared by team SGA (i.e. Sanjay Grover & Associates, Company Secretaries) solely for knowledge purpose and should not be construed as any professional advice or opinion. We expressly disclaim all liability for actions/inactions based on this newsletter.*



**A. MINISTRY OF CORPORATE AFFAIRS ('MCA')**

**I. E-FORMS UPDATED DURING THE MONTH OF SEPTEMBER 2024 ([Please click here to download updated version of e-forms](#))**

S.No	Form Details	Date of uploaded return	Form Link
1.	Form ADT-1: Information to the Registrar by Company for appointment of Auditor	20-Sep-2024	<a href="#">Ministry Of Corporate Affairs - Forms &amp; Downloads (mca.gov.in)</a>

## II. Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2024 ([Click here for accessing the notification](#))

- **Date of Applicability:** September 09, 2024
  
- **Brief on Amendment:** *Vide* this notification the Ministry of Corporate Affairs has further amended the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The following are the key highlights of this amendment:
  - **Under Schedule II**
    - Documents required to be submitted at the time of transmission of securities held in physical or demat mode will include following documents in addition to the existing list of documents
      - a) Legal heir certificate issued by the revenue authority not below the rank of Tahsildar having jurisdiction
      - b) In case will is submitted as a document, the same shall be accompanied with a notarised indemnity bond from the claimant to whom the securities are transmitted.
      - c) In cases where a copy of legal heir certificate issued by the revenue authority not below the rank of Tahsildar having jurisdiction is submitted at the time of transmission of securities, the same shall be accompanied with-
        - ✓ a notarised indemnity bond from the legal heir or claimant to whom the securities are transmitted; and
        - ✓ a no objection certificate from all legal heirs other than claimants, stating that they have relinquished their rights to the claim for transmission of securities, duly attested by a notary public or by a gazetted officer
    - Following explanation inserted under Part A & B: The value of the securities as on the date of application shall be quantified by the applicant on the basis of the closing price of such securities at any one of the recognised stock exchange a day prior to the date of such submission in the application, for listed securities and for unlisted securities, the value shall be quantified basis on the face value or the maturity value of the security, whichever is more
    - Under Part B the value of securities per issuer company as on the date of application will be INR 15,00,000/- instead of INR 5,00,000/-



- **Under Schedule III**


- Self-attested copy of FIR/ Police Complaint containing information of security holder, holding details, folio number and distinctive numbers of share certificate are required to be submitted to the Authority in case of loss of securities held in physical mode if the market value of the shares is greater than five lakh rupees
- Requirement of Surety Affidavit has been done away with
- Copy of advertisement regarding loss of securities issued in a widely circulated newspaper will be required, instead of advertisement issued in at least one English language national daily newspaper having nationwide circulation and in one regional language daily newspaper published in the place of registered office of company.
- Following explanation inserted:
  - a) Foreign National or NRI are permitted to provide self-declaration of securities lost or misplaced or stolen which shall be duly notarised or apostilled or notarized in their country of residence, along with self-attested copies of valid passport and overseas address proof.
  - b) The value of the securities as on the date of application shall be quantified by the applicant based on the closing price of such securities at any one of the recognised stock exchange a day prior to the date of such submission in the application, for listed securities and for unlisted securities, the value shall be quantified basis on the face value or the maturity value of the security, whichever is more.

- **Under Schedule IV:**

- New provision inserted wherein the companies shall take special contingency insurance policy from the insurance company towards the risk arising out of claim in respect of verification report or the revised verification report as the case may be.
- **SGA Views :**This amendments aim to simplify the process for transferring securities to legal heirs. These changes are intended to streamline the process for investors to claim lost or unclaimed securities and protect the interests of both investors and companies
- **Actionable, if any:** The companies shall take note of this amendment.

### III. Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2024 ([Click here for accessing the notification](#))

- **Date of Applicability:** September 17, 2024
- **Brief on Amendment:**
  - Rule 25A of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (**Merger Rules**) permits companies incorporated overseas to merge with an Indian company by seeking prior approval of the Reserve Bank of India (**RBI**) and the National Company Law Tribunal (**NCLT**). The process of obtaining an approval from the NCLT was often time consuming due to backlog of cases, resulting in a delay in the mergers.
  - The Amendment introduces Rule 25A(5) to the Merger Rules, permitting the merger or amalgamation of a foreign holding company into an Indian subsidiary to be undertaken through the fast-track merger scheme set out under Section 233 of the Companies Act, 2013 (**Companies Act**). A fast-track merger would not require an approval from the NCLT, which would streamline the process and significantly reduce the costs and time required for a merger.
  - Previously, the fast-track merger route was reserved for mergers between Indian holding companies and their subsidiaries, between start-up companies, or between start-up companies with small companies (i.e., companies with a paid-up share capital of less than INR 4,00,00,000 and turnover of less than INR 40,00,00,000)
  - By virtue of insertion of Rule 25A, the foreign company being a holding company and the Indian company being a wholly owned subsidiary can enter into merger or amalgamation by complying with the following:
    - both the companies shall obtain the prior approval of the Reserve Bank of India;
    - the transferee Indian company shall comply with the provisions of section 233 of the Companies Act, 2013 i.e., the provisions applicable to fast-track mergers;
    - the application shall be made by the transferee Indian company to the Central Government under section 233 of the Act and provisions of rule 25 shall apply to such application;
    - if the foreign company is incorporated in a country which shares a land border with India, a declaration (Form No. CAA-16) in connection with approvals obtained under the foreign exchange framework, along with a copy of the approval (if any), must be filed with the central government.
  - However, RBI's approval will not be required if the transaction is being undertaken in accordance with the Foreign Exchange Management (Border Merger) Regulations, 2018

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- **SGA View:** The Amendment is a welcome change and is in line with the government's attempts to combat regulatory obstacles and create a more business-friendly environment. This would certainly increase the traction of merger and amalgamation activities amongst foreign companies having wholly owned subsidiaries in India as now such companies can complete the process by complying without the time-consuming process of obtaining approval from the NCLT under the fast-track route.
  - **Actionable if any:** The companies fulfilling the criteria of having such a relationship amongst themselves may take note of this amendment.



**IV Clarification on holding Annual General Meeting (AGM) and EGM through video conferencing (VC) or other Audio Visual Means (OAVM) and passing of Ordinary and Special Resolutions by the companies under the Companies Act, 2013 read with Rules made thereunder- Extension timeline-Reg ([Click here for accessing the Circular](#))**

- **Brief on Amendment:** Key points of this Circular are as under:
  - This circular issued by the Ministry of Corporate Affairs is in continuation of its earlier circulars i.e. Ministry's General Circular No 20/2020 dt 5th May 2020, General Circular No 02/2022 dt 5th May 2022 and General Circular No 09/2023 dt. 25th September 2023;
  - The companies whose AGMs are due in the year 2024 and 2025 are allowed to conduct their AGM through VC or OAVM **on or before 30th September 2025;**
  - All resolutions **passed in these general meetings shall be filed with the Ministry of Corporate Affairs.**
  - An essential clarification is included in the circular i.e., **it does not extend the statutory time for holding AGMs as per the Companies Act, 2013.**
  - Companies failing to adhere to the statutory timelines **are still liable to face legal action under the appropriate provisions of the Act.** This emphasizes the importance of compliance.



**V Companies (Prospectus and Allotment of Securities) Amendment Rules, 2024** ([Click here for accessing the notification](#))

- **Date of Applicability:** September 20, 2024
- **Brief on Amendment:** The Ministry of Corporate Affairs vide this notification has extended the timeline from September 30, 2024 to March 31, 2028 for Producer Companies to comply with the provisions of Sub Rule 9B of the Companies (Prospectus and Allotment of Securities) Rules, 2014 that provide for dematerializing the securities.
- **SGA view:** While the amendment specifically benefits producer companies, it also promotes better corporate governance across the board by offering a more sustainable approach to compliance. It provides flexibility to producer companies, especially smaller ones, to meet compliance obligations gradually, which is critical given the limited resources these companies might have. By extending the compliance period, the government shows a commitment to supporting rural and agricultural enterprises, which are vital to India's economic development.
- **Actionable, if any:** The Producer companies shall take note of this extension.

## VI Companies (Accounts) Amendment Rules, 2024 ([Click here for accessing the notification](#))

- **Date of Applicability**: September 24, 2024
- **Brief on Amendment**: The Companies (Accounts) Amendment Rules, 2024 were issued by the Ministry of Corporate Affairs (MCA) on September 24, 2024. The rules provide the procedure for filing corporate social responsibility (CSR) returns for the financial year 2023-2024 onwards. The rules are as follows:
  - Form CSR-2 must be filed separately on or before December 31, 2024
  - Form No. AOC-4 or Form No. AOC-4-NBFC (Ind AS) must be filed before filing Form CSR-2
  - Form No. AOC-4 XBRL can also be filed as per the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015
- **Actionable, if any**: The companies that are required to file Form CSR-2 shall take note of this amendment

## **B. SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)**

### **I. Enabling T+2 trading of Bonus shares where T is the record date ([Click here for accessing the Circular](#))**

- **Date of Applicability:** This circular shall be applicable for all bonus issues announced **on or after October 01, 2024**
- **Brief on Amendment:** The SEBI *vide* this Circular has reduced the time taken for credit of bonus shares and trading of such shares, from the record date of the Bonus Issue under SEBI (ICDR) Regulations, 2018, enabling T+2 trading of Bonus shares where T is the record date . The procedure to implement this is as given below:
  - Applying for the in principle approval within 5 working days from the date of board meeting approving the Bonus Issue
  - Intimation to Stock Exchange as T+1 as deemed date of allotment
  - Submission of requisite documents to the Depositories for credit of bonus shares in the depository system latest by 12 P.M. of next working day of the record date
  - Uploading of the distinctive number and ensuring the distinctive number database of the depository
  - The shares allotted pursuant to the bonus issue shall be made available for trading on the next working date of allotment (T+2 day)
- **Actionable if any:** The listed entities proposing a bonus issue after the applicable date shall take note of this amendment.



## II. Reduction in the timeline for listing of debt securities and Non-convertible Redeemable Preference Shares (“NCRPS”) to T+3 working days from existing T + 6 working days (as an option to issuers for a period of one year and on a permanent basis thereafter such that all listings occur on a T+3 basis) ([Click here for accessing the Circular](#))

- **Date of Applicability:** To ensure ease of compliance for issuers, the listing timeline of T+3 working days is introduced as an option to issuers for a period of one year and on a permanent basis thereafter such that all listings occur on a T+3 basis. Thus, the provisions of this circular shall be applicable:
  - On voluntary basis to public issues of debt securities and NCRPS opening **on or after November 01,2024**
  - Mandatory for public issues of debt securities and NCRPS opening **on or after November 01, 2025**
- **Brief on Amendment:** The SEBI *vide* this Circular has decided to reduce the listing timeline in case of public issue of debt securities and NCRPS to T+3 working days from existing timeline of T+6 working days. Accordingly the indicative timelines in line with the aforesaid amendment has been issued by SEBI in the [Annexure](#) to this Circular
- **Actionable, if any:** The entities proposing of listing of debt securities and non convertible redeemable preference shares shall take note of this revised timeline.
- **SGA View:** The revised timeline would facilitate faster access to funds for the companies and accordingly the investors would also have early credit and liquidity of their investment.



### III. Modification in the timeline for submission of status regarding payment obligations to the stock exchanges by entities that have listed commercial paper ([Click here for accessing the Circular](#))

- **Date of applicability:** Immediate effect
- **Brief of the Amendment:** The SEBI has issued SEBI Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/117 dated September 06, 2024, for modification in the timeline for submission of status regarding payment obligations to the stock exchanges by entities that have listed commercial paper. Previously, issuers were required to submit a certificate confirming payment obligations within two days of payment due. The new directive mandates that this confirmation be submitted within one working day, aligning the reporting timeline with that for other listed non-convertible securities.
- **SGA View :** This change aims to enhance the efficiency and consistency of reporting obligations, ensuring timely updates to stock exchanges.

#### IV. Key Takeaways of the SEBI Board Meeting in Listing Regulations dated September 30, 2024 ([Click here for accessing the minutes of the Board Meeting](#))

- **Single Filing System for Listed Entities**: It is proposed to introduce a single filing on one stock exchange where all the filings are made and accordingly disseminated to others
- **Integration of Periodic Filings**: An integrated filing mechanism is proposed to be introduced where all filings related to governance and financials would be clubbed separately.
- **Additional time for disclosing the following**:
  - 3 hours instead of 30 minutes for board meeting outcomes disclosure if the meeting concludes after the trading hours.
  - 72 hours instead of 24 hours for Litigations disputes/outcomes if the information is maintained in a structured digital database
- **Disclosure of Tax Litigation Based on Materiality**: Companies would now only be mandated to disclose Tax Litigation/disputes only if they are considered material
- **Disclosure of fines/penalties based on Thresholds**: Only fines and penalties that are above the threshold i.e., INR 1 lakh for sectoral regulators and INR 10 lakh for others are now required to be disclosed.
- **Newspaper Publication for Financial Results**: The mandate of publishing the financial results in the newspapers would now become **optional**

**C. COMPLIANCE CALENDAR FOR THE MONTH OF SEPTEMBER 2024**

S.No	COMPLIANCE	ACT / RULES/ REGULATIONS	COMPLIANCE DUE DATE
1	MSME-1	<p>Under section 9 of the MSME Act, 2006 (27 of 2006)</p> <p><b>Return in respect of outstanding payments to Micro or Small Enterprise</b></p>	31st October (For April-Sep)
2	<p>AOC-4 + AOC-4 CFS (If applicable) or AOC-4 NBFC + AOC-4 CFS NBFC or AOC-4-XBRL</p>	<p>Filing of annual accounts (Standalone) &amp; (Consolidated) for AGM held on 30th Sep 2024 or 30 days from date of AGM</p>	<p>Within 30 days of the date of annual general meeting. Where the financial statements under sub-section (1) of Section 137 are not adopted at annual general meeting or adjourned annual general meeting, such unadopted financial statements along with the required documents under sub-section (1) shall be filed with the Registrar within thirty days of the date of annual general meeting.</p>



S.No	COMPLIANCE	PROVISION OF LAW/ACT / RULES/ REGULATIONS	Due Date
3	MGT-7 /MGT-7A	<p>Under Section 92(1) of the Companies Act, 2013 and Rule 11(1) of the Companies (Management and Administration) Rules, 2014, every company is required to prepare an annual return in Form MGT-7, reflecting the details as on the date they stood at the end of the financial year.</p> <p>However, for every One Person Company (OPC) and small company, the annual return should be prepared in Form MGT-7A.</p>	<p><b><u>Within 60 days</u></b> from the date <b><u>on which the AGM is held</u></b> or where no AGM is held in any year, within 60 days from the date on which the AGM should have been held</p>
4	ADT-1	<p>On appointment/ reappointment of an auditor at the annual general meeting, the company shall file a notice of such appointment / reappointment with the Registrar.</p>	<p>Within 15 days of the <b>meeting in which the auditor was appointed or reappointed</b></p>

S.No	COMPLIANCE	ACT/ RULES/ REGULATIONS	Due Date
5.	MGT-15	Every listed public company shall prepare a report on each AGM including the confirmation to the effect that the meeting was convened, held and conducted and file the same in e-Form MGT-15 with Registrar of Companies (ROC).	Within 30 days of the conclusion of the AGM.
6.	MGT 14	Filing of Form MGT 14 within 30 days from the date of AGM for special resolutions passed.	Within 30 days of passing of resolution
7	MGT-14 Para 3A(XV) of the <a href="#">General Circular No. 14/2020</a>	All the resolutions passed in accordance with this mechanism (i.e. meetings held through VC or OAVM mechanism) shall be filed with ROC.	Within 60 days of the Meeting

S.No	COMPLIANCE	PROVISION OF LAW/ACT / RULES/ REGULATIONS	Due Date
8	<a href="#">BSE Circular Dated 16.05.2019</a>	The submission of Annual report in XBRL mode may be made at the <b>same time</b> when the listed entities file Form AOC-4 (XBRL) to ROC.	<b>Same time</b> when the listed entities file Form AOC-4 (XBRL) to ROC.
9	ECB -2 Return	ECB-2 return should be filled in for all categories of ECB	Within 7 working days from the close of the month through AD Bank to the RBI

S.No	COMPLIANCE	PROVISION OF LAW/ACT / RULES/ REGULATIONS	Due Date
10	IEPF-2	Filing of statement of Unpaid and Unclaimed Amounts	Within 60 days after holding of the AGM
11	Regulation 44(3) SEBI (LODR) Regulations, 2015	The listed entity shall submit to the stock exchange details regarding the voting results in the format specified by the Board.	<b><u>within 2 working days</u></b> of conclusion of AGM
12	Regulation 31 (1) (b) SEBI (LODR) Regulations, 2015	Disclosure of Holding of specified securities and shareholding pattern to the stock exchange(s) in the format specified by the Board from time to time	Within 21days from the end of the quarter



S.No	COMPLIANCE	PROVISION OF LAW/ACT / RULES/ REGULATIONS	Due Date
13	Regulation 27(2)(a) SEBI (LODR) Regulations, 2015	The listed entity shall submit a quarterly compliance report on corporate governance in the format as specified by the Board from time to time to the recognised stock exchange(s)	Within 21 days from the end of the quarter.
14	Regulation 13 (3) SEBI (LODR) Regulations, 2015	<p>Statement of Grievance Redressal Mechanism</p> <p>From 1<sup>st</sup> October, 2024, onwards, single filing system has been implemented for disclosures to be given on Stock exchanges under Regulation 13(3).</p> <p>For your reference respective circular link has been attached herewith: <a href="#">Circular Ref No: NSE/CML/2024/28</a></p>	<p>Within 21 days from the end of the quarter.</p> <p><i>Note: To be submitted under single filing system through API-based integration between the Stock Exchanges</i></p> <p><i>Ref : <a href="#">NSE Circular Ref No: NSE/CML/2024/28</a> dated September 30, 2024 and BSE Circular number 20240930-60</i></p>

S.No	COMPLIANCE	PROVISION OF LAW/ACT / RULES/ REGULATIONS	Due Date
15	<p align="center"><b>Form- PAS-6</b> Regulation 76 (1) SEBI (D&amp;P) Regulation, 2018</p>	Every issuer is required to submit a Reconciliation of share capital audit report to the relevant stock exchanges	Within 30 days from the end of the quarter
16	<p align="center">Regulation 33(3)(a) SEBI (LODR) Regulations, 2015</p>	The listed entity to submit quarterly and year-to-date standalone financial results to the stock exchange and Consolidated financial results in case listed entity has subsidiaries.	Within 45 days from the end of the quarter


S.No	COMPLIANCE	PROVISION OF LAW/ACT / RULES/ REGULATIONS	Due Date
17	Regulation 32(1) SEBI (LODR) Regulations, 2015	Statement of deviation(s) or variation(s) to the Stock exchanges	Within 45 days from the end of the quarter
18	Regulation 69 SEBI (LODR) Regulations, 2015	Disclosure of Indian Depository Receipt holding pattern & Shareholding details.	Within 15 days from the end of the quarter



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# THANK YOU!

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