

RELEVANT AMENDMENTS FOR MAY 2025 EXAMINATION SET A: CORPORATE AND ECONOMIC LAWS

I. THE COMPANIES ACT, 2013

1. THE NIDHI (AMENDMENT) RULES, 2024

Vide Notification G.S.R. 413(E), Dated 16-7-2024, the Central Government hereby makes the following rules, further to amend the Nidhi Rules, 2014, through the enforcement of the Nidhi (Amendment) Rules, 2024.

In the Nidhi Rules, 2014, **in rule 4, in sub-rule (5)** the following proviso shall be inserted, namely:

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"Provided that a company shall not use the words "Nidhi Limited" in its name unless it is declared as such under sub-section (1) of section 406 of the Act."

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2. THE COMPANIES (ADJUDICATION OF PENALTIES) AMENDMENT RULES, 2024

Vide Notification G.S.R. 476(E), dated 5th August, 2024, the Central Government hereby makes the following rules further to amend the Companies (Adjudication of Penalties) Rules, 2014, through the enforcement of **the Companies (Adjudication of Penalties) Amendment Rules, 2024**, w.e.f **16th day of September, 2024**.

In the Principle Rule, the Companies (Adjudication of Penalties) Rules, 2014, following are amendments-

(i) after rule 3, the following **rule 3A has been inserted-**

3A. Adjudication Platform.- (1) On the commencement of the Companies (Adjudication of Penalties) Amendment Rules, 2024, **all proceedings** (including issue of notices, filing replies or documents, evidences “, holding of hearing, attendance of witnesses, passing of orders and payment of penalty) of adjudicating officer and Regional Director under these rules shall take place in **electronic mode only through the e-adjudication platform** developed by the Central Government for this purpose.

(2) In case the e-mail address of any person to whom a notice or summons is required to be issued under these rules is not available, **the adjudicating officer shall send the notice by post at the last intimated address or address available in the records** and the officer shall preserve a copy of such notice in the electronic record in the e-adjudication platform referred to in sub-rule (1):

Provided that in case no address of the person concerned is available, the **notice shall be placed on the e-adjudication platform.**”

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3. THE COMPANIES (ADJUDICATION OF PENALTIES) SECOND AMENDMENT RULES, 2024

Vide Notification G.S.R. 630(E), Dated 9-10-2024, the Central Government hereby through the enforcement of the Companies (Adjudication of Penalties) Second Amendment Rules, 2024, in sub-rule (1) of rule 3A, inserted the following proviso:—

"Provided that the proceedings pending before the Adjudicating Officer or Regional Director on the date of such commencement shall continue as per provisions of these rules existing prior to such commencement."

On Pg 9.25

4. THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) AMENDMENT RULES, 2024 - AMENDMENT IN RULE 25A

Vide Notification G.S.R. 555 (E), Dated 9-9-2024, in exercise of the powers conferred by sub-sections (1) and (2) of section 469 read with sections 233 and 234 of the Companies Act, 2013, the Central Government hereby enacted the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2024 further to amend the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 w.e.f. 17th day of September, 2024.

In the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, in rule 25A, the following sub-rule (5) shall be inserted, namely: -

"(5) Where the transferor foreign company incorporated outside India being a holding company and the transferee Indian company being a wholly owned subsidiary company incorporated in India, enter into merger or amalgamation, –

(i)	both the companies shall obtain the prior approval of the Reserve Bank of India;
(ii)	the transferee Indian company shall comply with the provisions of section 233;
(iii)	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; and
(iv)	the declaration referred to in sub-rule (4) shall be made at the stage of making application under section 233 of the Act."

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II. SECURITIES LAWS

1. The SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (AMENDMENT) REGULATIONS, 2024

Vide Notification No. SEBI/LAD-NRO/GN/2024/177, Dated 17-5-2024, the Board hereby through the enforcement of **the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024**, provided amendments in Regulations 3, 17, 21(5), 25, 30, 34, 43A and 44 shall come into force with effect from December 31, 2024.

1. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 –

I. In regulation 3,

i. **Sub-regulation (2)** shall be substituted with the following sub-regulation, namely-

"(2) The applicability of the provisions of these regulations to a listed entity on the basis of market capitalisation shall be determined as follows:

- (a) Every recognized stock exchange shall, at the end of the calendar year *i.e.*, 31st December, **prepare a list of entities that have listed their specified securities** ranking such entities on the basis of their average market capitalisation from 1st July to 31st December of that calendar year.
- (b) The **relevant provisions shall then become applicable to a listed entity** that is required to comply with such requirements for the first time (or, if applicable, required to comply after any interim period) after a period of three months from December 31 (*i.e.* April 1) or from the beginning of the immediate next financial year, whichever is later:

Provided that the listed entity, which is required to comply for the first time or after a period of cessation, shall put in place systems and processes for compliance with clause (f) of sub-regulation (2) of regulation 34 within a period of three months from December 31 (*i.e.* on or before April 1) or from the beginning of the immediate next financial year, whichever is later, and further disclose the Business Responsibility and Sustainability Report and/or assurance as per the Business Responsibility and Sustainability Report Core in the Annual Report prepared for the financial year in which systems and processes were required to be put in place in accordance with this proviso.

- (c) The listed entity shall continue to comply with relevant provisions that were applicable to it based on the market capitalisation of previous year and continue(s) to remain applicable on the basis of its rank in the list prepared by recognized stock exchanges as per clause (a) of this sub-regulation."
- ii. after **sub-regulation (2)**, the following new **sub-regulations (2A) and 2(B)** shall be inserted,

namely-

"(2A) The provisions of these regulations, which become applicable to a listed entity on the basis of criteria of market capitalisation, shall continue to apply to such an entity unless its ranking changes in the list prepared in accordance with sub-regulation (2) of this regulation and such change results in the listed entity remaining outside the applicable threshold for a period of three consecutive years.

(2B) For such listed entities which remain outside the applicable threshold for a period of three consecutive years in terms of sub-regulation (2A) of this regulation, the provisions that apply on the basis of criteria of market capitalisation shall cease to apply at the end of the financial year following the 31st December of the third consecutive year:

Provided that for those listed entities that follow January to December as its financial year, the provisions shall cease to apply at the end of three months from 31st December of the third consecutive year (*i.e.* on 31st March)."

Page no. 1.50-Module 2, under the heading the "Applicability".

II. in regulation 17,

i. in sub-regulation (1), in clause (a),

1. in the proviso,

- A. the words, numerals and symbols "top 500 listed entities shall have at least one independent woman director by April 1, 2019 and the Board of directors of the" shall be **omitted**;
- B. the words, numerals and symbols "by April 1, 2020" shall be **omitted**;

2. the Explanation shall be omitted;

ii. in sub-regulation (1), in clause (c),

- 1. the words, numerals and symbols "top 1000 listed entities (with effect from April 1, 2019) and the" shall be **omitted**;
- 2. the words, numerals and symbols "(with effect from April 1, 2020)" shall be **omitted**;
- 3. the Explanation shall be **omitted**;

iii. in sub-regulation (2A),

- 1. the words, numerals and symbols "top 1000 listed entities with

- effect from April 1, 2019 and of the" shall be **omitted**;
2. the words, numerals and symbols "with effect from April 1, 2020" shall be **omitted**;

Page no. 1.52 & 1.52 of Module 2 under the heading the Board of Directors (Regulation 17)

III. in regulation 21,

- i. **in sub-regulation (3C)**, the words "one hundred and eighty" shall be substituted by the words **"two hundred and ten"**;
- ii. **in sub-regulation (5)**, in clause i, the words and symbols", determined on the basis of market capitalization as at the end of the immediate preceding financial year" shall be **omitted**;

Page no. 1.68 of Module 2 under the heading Risk Management Committee in the bullet numbering 6 and 7 clause(i).

IV. in regulation 29,

- i. in **sub-regulation (1)**,
1. after the words "prior intimation" and before the words "to stock exchange", the words and symbols **"of at least two working days in advance, excluding the date of the intimation and date of the meeting,"** shall be inserted;
2. **in clause (d)**,
- A. after the words "by way of" and before the words "further public offer", the words and symbols **"issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through"** shall be inserted;
- B. after the existing proviso, the following **new proviso shall be inserted**, namely-
"Provided further that intimation for determination of issue price in a qualified institutions placement is not required if such placement is done in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018."
3. after clause (f), the following **new clauses shall be inserted**, namely-
"(g) any alteration in the form or nature of any of its securities

that are listed on the stock exchange or in the rights or privileges of the holders thereof;

(h) any alteration in the date on which, the interest on debentures or bonds, or the redemption amount of redeemable shares or of debentures or bonds, shall be payable."

ii. sub-regulation (2) and the proviso shall be **substituted by the following sub-regulation**, namely,-

"(2) The intimation required under sub-regulation (1) shall mention the date of such meeting of board of directors."

iii. sub-regulation (3) shall be **omitted**;

Page no. 1.58 & 1.59 of Module 2 under the heading 6. Prior Intimation of Board Meeting in Point no. A & B

2. THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

Vide Notification SEBI/LAD-NRO/GN/2024/184, Dated 25-6-2024, in exercise of the powers conferred by section 30, read with clause (g) of sub-section (2) of section 11 and clauses (d) and (e) of section 12A of the Securities and Exchange Board of India Act, 1992, the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

These Regulations may be called **the Securities and Exchange Board of India (Prohibition of Insider Trading) (Second Amendment) Regulations, 2024 w.e.f. the ninetieth day from the date of their publication in the Official Gazette.**

Following are the amendments in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015-

I. in **regulation 5**, in sub-regulation (2),

(1) in **clause (i)**,

(a) the words "**six months**" shall be substituted by the words "**one hundred and twenty calendar days**";

(b) in the note, the words "**six months**" shall be substituted by the words "**one hundred and twenty calendar days**";

- (c) in the note, the words "**Such a**" shall be substituted by the words and symbols "**Companies declare their results quarterly and there exists a trading restriction, in terms of these Regulations, from quarter end to two days after declaration of quarterly result, which, it is seen, is generally a period of around one month for most companies. Thus, one hundred and twenty calendar days**".
- (2) **clause (ii)** and the note thereto shall be **omitted**;
- (3) **clause (iii)** and the note thereto shall be **omitted**;
- (4) **in clause (v)**,
 - (a) the words and symbols "**set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and**" shall be substituted by the following: -

"set out following parameters for each trade to be executed:

 - (i) either the value of trade to be effected or the number of securities to be traded;
 - (ii) nature of the trade;
 - (iii) either specific date or time period not exceeding five consecutive trading days;
 - (iv) price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:
 - a. **for a buy trade:** the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;
 - b. **for a sell trade:** the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.

Explanation:

- (i) While the parameters in sub-clauses (i), (ii) and (iii) shall be mandatorily mentioned for each trade, the parameter in sub-clause (iv) shall be optional.
- (ii) The price limit in sub-clause (iv) shall be rounded off to the nearest numeral.
- (iii) Insider may make adjustments, with the approval of the compliance officer, in the number of securities and price limit in the event of corporate actions related to bonus issue and stock split occurring after the approval of trading plan and the same shall be notified on the stock exchanges on which securities are listed."

- (b) in the note, the word "**intervals**" shall be substituted by the word "**period**";
- (c) In the note, after the words and symbol "**may be set out in the plan.**", the words and symbol "**However, there should be an outer limit on the duration of the time period, so that while it allows the insider to split their trades across different dates, duration should not be so long that it is prone to misuse.**

Further, to protect the insider from unexpected price movements, he may, at the time of formulation of trading plan, provide price limits within the range specified in these Regulations." shall be inserted.

- II. In regulation 5, in **second proviso to sub-regulation (3)**, the words "**and restrictions on contra trade**" shall be **omitted**.

III. in regulation 5, in **sub-regulation (4)**,

- (1) the words "**deviate from it or to**" shall be **omitted**;
- (2) after the words "**outside the scope of the trading plan**" and before the symbol ".", the words "**or to deviate from it except due to permanent incapacity or bankruptcy or operation of law**", shall **be inserted**;
- (3) in the proviso, the words and symbols "**and in such event the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of sub-regulation (1) of regulation 4**" shall be **omitted**;
- (4) after the existing proviso thereto, the **following proviso and Explanation shall be inserted**, namely: -

"Provided further that if the insider has set a price limit for a trade under sub-clause (iv) of clause (v) of sub-regulation 2, the insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the insider, the trade shall not be executed.

Explanation: In case of non-implementation (full/partial) of trading plan due to either reasons enumerated in sub-regulation 4 or failure of execution of trade due to inadequate liquidity in the scrip, the **following procedure shall be adopted:**

- (i) The **insider shall intimate non-implementation** (full/partial) **of trading plan** to the compliance officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.
 - (ii) Upon **receipt of information from the insider**, the compliance officer, shall place such information along with his recommendation to accept or reject the submissions of the insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/partial) was *bona fide* or not.
 - (iii) The **decision of the Audit Committee shall be notified by the compliance officer** on the same day to the stock exchanges on which the securities are listed.
 - (iv) In case the **Audit Committee does not accept the submissions made by the insider**, then the compliance officer shall take action as per the Code of Conduct.";
- (5) in the note, after the words "**market have assessed their views on the securities**" and before the symbol ".", the words "**except in situations beyond the control of the insider**" shall be inserted;
- (6) in the second paragraph of the note,
- (a) after the word "the" and before the word "proviso", the word "**first**" shall be inserted;
 - (b) the words "six months" shall be substituted by the words "**one hundred and twenty calendar days**";
 - (c) the words "commencement of execution of the trading plan ought to be deferred" shall be substituted by the words "**execution of the trading plan should not be commenced.**";
- (7) after the second paragraph of the note, **the following paragraph shall be inserted**, namely: -

"The second proviso is intended to address the scenario where the insider has set a price limit for a trade and due to adverse fluctuation in market prices, the price of the security is outside the price limit set by the insider, the trade shall not be executed. However, if the insider wishes to trade irrespective of the fluctuation in market price, he may not set any price limit at the time of formulation of the trading plan."

- IV. in **regulation 5, sub-regulation (5)** shall be substituted by the following:

"The compliance officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved plan to the stock exchanges on which the securities are listed, on the day of approval."

Page no. 1.141, 1.42, 1.43 & 1.44 of Module 2 under the heading Trading Plans under the Regulation 5 of the SEBI(PIT) Regulations, 2015

III. ECONOMIC LAWS

THE INSOLVENCY AND BANKRUPTCY CODE, 2016

1. THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) (AMENDMENT) REGULATIONS, 2024 - AMENDMENT IN REGULATIONS 18, 25, 35, 36, 36A, 38 AND 40; INSERTION OF REGULATIONS 4D AND 31B

Vide Notification No. IBBI/2023-24/GN/REG113, Dated 15-2-2024, in exercise of the powers conferred by clause (t) of sub-section (1) of section 196, read with section 240 of the Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 through the enforcement of **the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2024** w.e.f. the date of their publication in the Official Gazette.

1. In the principal regulations, in **regulation 18, for sub-regulation (1)**, the following sub-regulation shall be substituted, namely:-

"(1) A resolution professional shall convene a meeting of the committee before lapse of thirty days from the last meeting:

Provided that the committee may decide to extend the interval between such meetings subject to the condition that there shall be at least one meeting in each quarter."

Page no. 3.50 of Module 2 under the heading Meetings of the Committee

2. In the principal regulations, in **regulation 40, after sub-regulation (2)**, the following clarification shall be inserted, namely:-

"Clarification: It is clarified that the resolution professional shall continue to discharge his responsibilities under the corporate insolvency resolution process, till the application for extension is decided by the Adjudicating Authority."

Page no. 3.36 of Module 2 under the heading : Time limit for completion of insolvency resolution process in point no. 2

2. INSOLVENCY AND BANKRUPTCY BOARD OF INDIA AMENDS THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) REGULATIONS, 2016

Through Press Release No. IBBI/PR/2024/21, Dated 25-9-2024, the Insolvency and Bankruptcy Board of India (IBBI/Board) notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2024 on 24th September, 2024.

The Amendment Regulations provides for **the appointment of an interim representative** who will act as a representative for a class of creditors during the period when the application for appointment of the authorised representative is under consideration of the Adjudicating Authority for approval.

This interim representative will have the same rights and duties as an authorised representative in meetings of the committee of creditors.

These amendments aim to facilitate the effective representation of certain classes of creditors which are large in numbers, such as homebuyers, during the corporate insolvency resolution process.

Page no. 3.49 under the heading XIII: Committee of Creditors