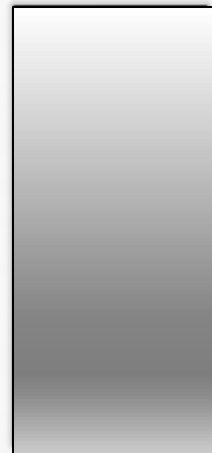


LEGALITE ADVISORS

**IMPORTANT LEGAL UPDATES FOR DECEMBER,
2024**



Ministry of Corporate Affairs

- ❑ **Notification No.** G.S.R. 794(E) (“**Notification**”)
- ❑ **Notification Date.** December 31, 2024
- ❑ **Notification Effective Date.** December 31, 2024
- ❑ **Notification Subject.** The Companies (Accounts) Second Amendment Rules, 2024 (“**Amendment Rules**”).
- ❑ **Analysis.**
 - Pursuant to sub-rule (1B) of Rule 12 of Companies (Accounts) Rules, 2014, every Company which is covered under the provisions of section 135(1) of the Companies Act, 2013 shall furnish the Corporate Social Responsibility (CSR) Report for the preceding financial year in Form CSR-2 to the jurisdictional Registrar of Companies (RoC).
 - The Ministry of Corporate Affairs *vide* the Notification, has extended last date of filing of Form CSR-2 from December 31, 2024 to March 31, 2025 post filing Form AOC-4 or Form No. AOC-4-NBFC (Ind AS) or Form No. AOC-4 XBRL (as the case may be).
 - This Notification provides additional time to ensure compliance with CSR reporting requirements, ensuring that all eligible companies meet their obligations under the Amendment Rules for entities that engage in CSR activities.
- ❑ **Link to the Notification.** [The Companies \(Accounts\) Second Amendment Rules, 2024](#)

Securities Laws

- ❑ **Circular No.** SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 (“**Circular**”)
- ❑ **Circular Date.** December 31, 2024
- ❑ **Circular Effective Date.** Applicable for the filings for the quarter ending on December 31, 2024 and onwards.
- ❑ **Circular Subject.** Implementation of recommendations of the Expert Committee (“**Committee**”) for facilitating ease of doing business for listed entities.
- ❑ **Analysis.**
 - The recommendations given by the Committee which was set up to review *interalia* the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**LODR Regulations**”), were approved by the Securities and Exchange Board of India (“**SEBI**”) and accordingly, the Circular is issued to give effect to certain recommendations of the Committee and carry out consequential changes to the provisions of SEBI master circular dated November 11, 2024 (“**Master Circular**”), on compliance with the LODR Regulations by listed entities (“**LEs**”) – specified hereinbelow:

Securities Laws (Contd...)

Integrated filings:

- ✓ Some of the filings which were required to be separately earlier, are now integrated in the manner specified below:

| Sr. No. | Regulation no. | Particulars | Existing timelines | Revised timelines | Frequency |
|---------------------------------------|----------------|--|--|--|-------------|
| Integrated Filing (Governance) | | | | | |
| 1. | 13(3) | Statement on redressal of investor grievances | Within 21 days of the end of the quarter. | Within 30 days of the end of the quarter. | Quarterly |
| 2. | 27(2)(a) | Compliance Report on Corporate Governance | | | |
| Integrated Filing (Financial) | | | | | |
| 3. | 23(9) | Disclosure of Related Party Transactions (RPTs) | On the date of publication of the standalone and | Within 45 days of the end of the quarter & 60 days from end of the | Half yearly |

Securities Laws (Contd...)

| Sr. No. | Regulation no. | Particulars | Existing timelines | Revised timelines | Frequency |
|---------|--|--|-----------------------------------|---|-----------|
| | | | consolidated financial results | last quarter & financial year. | |
| 4. | Reg. 30 r/w section V-B of the Master Circular | Quarterly disclosure of outstanding default on loans / debt securities | - | Within 45 days of the end of the quarter & 60 days from end of the last quarter & financial year. | Quarterly |
| 5. | 32(1) | Statement of Deviation and Variation | Where the company has appointed a | | |

Securities Laws (Contd...)

| Sr. No. | Regulation no. | Particulars | Existing timelines | Revised timelines | Frequency |
|---------|----------------|-------------------|--|---|-----------|
| | | | monitoring agency within 45 days of the end of the quarter | | |
| 6. | 33(3) | Financial results | Within 45 days of the end of the quarter & 60 days from end of the last quarter & financial year. (no change) | Within 45 days of the end of the quarter & 60 days from end of the last quarter & financial year. | Quarterly |

Securities Laws (Contd...)

- ✓ The formats for the said integrated filings can be accessed through the link of the Circular specified below given in 'Annexure A' to the Circular.
- ✓ The first quarterly integrated filings i.e. Integrated Filing (Governance) and Integrated Filing (Financial) for the quarter ended on December 31, 2024, may be filed within a period of 45 days from the end of the said quarter.
- ✓ In addition to the existing data to be disclosed, the LEs are required to disclose the following information:
 1. Acquisition of shares or voting rights in an unlisted company, aggregating to 5% (five per cent); or any subsequent change in holding exceeding 2% (two per cent) in terms of the provisions of Para A (1) of Part A of Schedule III of the LODR Regulations (Disclosures of Events or Information: Specified Securities).
 2. Imposition of fine or penalty which are lower than the monetary thresholds specified under Para A (20) of Part A of Schedule III of the LODR Regulations (Disclosures of Events or Information: Specified Securities).
 3. Updates on ongoing tax litigations or disputes in terms of the provisions of Para B (8) of Part A of Schedule III of LODR Regulations (Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30)) read with the corresponding provisions of Annexure 18 of the Master Circular.

Securities Laws (Contd...)

4. Details of ratification of related party transactions (“**RPTs**”) are required to be disclosed along with the half-yearly disclosures of RPTs required under Regulation 23(2) of the LODR Regulations in the format provided in Annexure A to the Circular.

✓ **Secretarial Auditor:**

- Regulation 24A(1A) of the LODR Regulations provides the eligibility of a secretarial auditor of a LE i.e. such person is a peer reviewed company secretary and has not incurred any of the disqualifications as specified by SEBI. The said disqualifications are specified in Annexure 2 to the Circular.
- Regulation 24A(1B) of the LODR Regulations, specifies that the secretarial auditor shall provide such services as may be approved by the board of directors of the LE, but shall not include such services as may be specified by SEBI. The services which shall not be performed by the secretarial auditor are specified in Annexure 3 to the Circular.

✓ **Guidelines for disclosure of Employee Benefit Scheme related documents:**

- Regulation 46(2)(za) of the LODR Regulations requires the LEs to disclose the employee benefit scheme documents framed in terms of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SBEB Regulations**”), on its website excluding commercial secrets and such information that would have an adverse impact on the competitive position.

Securities Laws (Contd...)

- The redaction of information from such document(s) shall be approved by the board of directors of the LE and shall be in compliance with guidelines given below:
 1. The scheme document(s) containing such minimum information as may be required to be disclosed to the shareholders as per SBEB Regulations shall be uploaded on the website of the LE after obtaining the approval of the shareholders; and
 2. The rationale for redacting such information from the document(s) and the justification for the same shall be placed before the board of directors of the LE for its approval.
- Additionally, the secretarial compliance report issued by a peer reviewed company secretary under Regulation 24A(2) of the LODR Regulations shall include a confirmation on compliance with the aforesaid requirements by the LE.

✓ **Single Filing System:**

- The single filing facility has been put in place by the stock exchanges (“SE”) viz. Bombay Stock Exchange and National Stock Exchange w.e.f. October 01, 2024, limited to certain compliances as on date. The details of the other filings to be bought under the said system is expected to be communicated by the SEs from time to time.

Securities Laws (Contd...)

✓ Changes in the Master Circular:

- Pursuant to the issuance to the Circular and to bring the recommendations of the Committee into effect, certain changes pertaining to various matters specified in the Master Circular including but not limited to integrated filings, system driven disclosures, timelines for disclosing certain events in part A of Schedule III of the LODR Regulations (Disclosures of Events or Information: Specified Securities) are provided in Annexure 4 and Annexure 5 to the Circular.

- **Link to the Circular.** [Implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities.](#)
- **Link to the Master Circular.** [Master circular for compliance with the provisions of the Securities and Exchange Board of India \(Listing Obligations and Disclosure Requirements\) Regulations, 2015 by listed entities.](#)

Securities Laws (Contd...)

- ❑ **Circular No.** SEBI/HO/ISD/ISD-PoD-2/P/CIR/2024/180 (“**Circular**”)
- ❑ **Circular Date.** December 30, 2024
- ❑ **Circular Effective Date.** December 30, 2024
- ❑ **Circular Subject.** Allowing subscription to the issue of Non-Convertible Securities during trading window closure period.
- ❑ **Analysis.**
 - The capital markets regulator, the Securities and Exchange Board of India (“**SEBI**”), has issued a Circular allowing subscription to non-convertible securities (“**NCS**”) even during trading window closure period, thereby enhancing capital-raising flexibility for listed companies, without being constrained by trading window closures, albeit in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (“**Insider Trading Regulations**”).
 - Accordingly now in addition to transactions encapsulated in Regulation 9, Schedule B Clause 4(3)(b) of Insider Trading Regulations and Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/133 dated July 23, 2020, the trading window restrictions shall also not apply to subscription to the issue of NCs, carried out in accordance with the framework specified by the SEBI from time to time
- ❑ **Link to the Circular.** [Allowing subscription to the issue of Non- Convertible Securities during trading window closure period.](#)

Securities Laws (Contd...)

- ❑ **Circular No.** SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 (“**Circular**”)
- ❑ **Circular Date.** December 20, 2024
- ❑ **Circular Effective Date.** April 01, 2025 (*i.e. FY 2024-25 and onwards*)
- ❑ **Circular Subject.** Industry Standards on Reporting of BRSR Core. (“**BRSR Core**”).
- ❑ **Analysis.**
 - The Industry Standards Forum (“**ISF**”) which comprises of representatives from ASSOCHAM, CII and FICCI (collectively referred to as “**Industry Association**”), under the aegis of the Stock Exchanges has formulated industry standards in consultation with Securities and Exchange Board of India (“**SEBI**”) for effective implementation of the requirement to disclose Business Responsibility and Sustainability Report (“**BRSR**”) Core under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”) read with Chapter IV-B of SEBI master circular for compliance with the provisions of the LODR regulations by listed entities, issued vide SEBI/HO/CFD/PoD2/CIR/P/0155 and dated November 11, 2024.
 - The purpose of formulating industry standards for BRSR is to facilitate the ease of doing business and bring standardization in the implementation across the industry.

Securities Laws (Contd...)

- Industry associations which are part of ISF and the stock exchanges shall ensure that the industry standards are available on their website; and the listed entities shall ensure that they comply with the SEBI requirements on disclosure of BRSR Core by adhering to the industry standards.

□ **Link to the Circular.** [Industry Standards on Reporting of BRSR Core.](#)

Securities Laws (Contd...)

- ❑ **Press Release No.** 36/2024 (“**Press Release**”)
- ❑ **Press Release Date.** December 18, 2024
- ❑ **Press Release Subject.** SEBI Board Meeting.
- ❑ **Analysis.**
 - The 208th meeting of the board of directors of Securities and Exchange Board of India (“**SEBI**”) was held on December 18, 2024 (“**Meeting**”), in Mumbai. Several matters were discussed at the Meeting including but not limited to matters relating to primary, secondary market(s), debts and hybrids, mutual funds, alternative investment & FPI, market intermediaries, prohibition of insider trading, etc, some of which have been summarized hereunder.
 - With a view to facilitate ease of doing business for listed entities and their value chain partners with regard to requirements under Business Responsibility and Sustainability Report (“**BRSR**”), SEBI approved on the following:
 - ✓ **Deferred applicability:** The applicability of the Environmental, Social and Governance (“**ESG**”) disclosures for value chain shall now be applicable from **FY 2025-26** as against the current requirement of FY 2024-25 and the limited assessment or assurance thereof shall now be applicable from **FY 2026-27** as against the current requirement of FY 2025-26.
 - ✓ **Disclosure on voluntary basis:** The top 250 listed entities (by market capitalization) can now comply with the ESG disclosures for the value chain on “**voluntary**” basis as against the current requirement of ‘comply-or-explain’ basis.

Securities Laws (Contd...)

- ✓ **Scope of value chain diminished:** The value chain shall now cover the top upstream and downstream partners of a listed entity, individually comprising **2% or more** of the listed entity's purchases and sales (by value), respectively. Further, the listed entity may limit the disclosure of value chain to cover 75% of its purchases and sales (by value), respectively.
- ✓ **Reporting of figures for previous financial year:** In case of value chain reporting the ESG disclosure for the first time, the reporting of figures for previous financial year will be **voluntary**.
- ✓ **Disclosure of Green Credits:** With the introduction of a leadership indicator in Principle 6 of BRSR, the listed entity and its top-10 value chain partners shall additionally disclose details of Green Credits generated or procured by them.
- ✓ **Substitution of term “assurance”:** In the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), regarding BRSR, the term “assurance” has been substituted with “assessment or assurance”. “Assessment” will be third-party assessment undertaken as per standards to be developed by the Industry Standards Forum (ISF) in consultation with SEBI. This would be applicable for BRSR Core disclosures for listed entities and value chain from FY 2024-25 and FY 2026-27 onwards, respectively.
- SEBI has approved the following amendments in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and applicability of corporate governance provisions under LODR Regulations, on Small and Medium Enterprises (“**SME**”) to strengthen the framework for public issues:

Securities Laws (Contd...)

- ✓ An issuer shall make an initial public offer (“**IPO**”), only if the issuer has an operating profit (earnings before interest, depreciation and tax) of INR 1,00,00,000 (Indian Rupees One Crore only) or more for any 2 out of 3 previous financial years at the time of filing of its draft red herring prospectus (“**DRHP**”).
- ✓ **Offer for sale (OFS)** by selling shareholders in SME IPO shall not exceed 20% (twenty per cent) of the total issue size and each shareholder selling its shares cannot sell more than 50% (fifty per cent) of their holding.
- ✓ **Promoters’ holding(s) locked-in in excess of the minimum promoter contribution** shall be released in a manner such that 50% (fifty per cent) of such excess contribution shall be released after 1st year and 2nd year each.
- ✓ **Allocation methodology to Non institutional investors** in SME IPO to be aligned with the main board IPOs.
- ✓ Amount for **General Corporate Purpose** (GCP) in SME IPO shall be capped to 15% (fifteen per cent) of amount being raised by the issuer or INR 10,00,00,000 (Indian Rupees Ten Crores only), whichever is lower.
- ✓ The objects of the issue shall not consist of repayment of loan from promoter, promoter group or any related party, from the issue proceeds, whether directly or indirectly.

Securities Laws (Contd...)

- ✓ DRHP of SME IPO filed with the stock exchanges to be made available for 21 days for public to provide comments on DRHP, by making public announcement in newspaper with QR (Quick Response) code.
- ✓ **Further issue by SME companies** shall be permitted without migration to main board subject to the condition that the said entity is complying with the LODR Regulations as applicable to the entities listed on the main board.
- ✓ **Related party transaction** norms as applicable to the listed entities on main board shall be applicable to SME companies and the threshold for the same shall be 10% (ten per cent) of the annual consolidated turnover); or INR 50,00,00,000 (Indian Rupees Fifty Crores), whichever is lower.
- SEBI has approved *inter-alia* the following amendments in the LODR Regulations regarding corporate governance provisions on high value debt listed entities (“**HVDLEs**”):
 - ✓ The **threshold to identify a HVDLEs** from INR 500,00,00,000 (Indian Rupees Five Hundred Crores only) to INR 1,000,00,00,000 (Indian Rupees One Thousand Crores only) to align the same with the large corporates.
 - ✓ Debt listed entities where the shareholding is wholly/ substantially held by one or a few related party shareholders, any material related party transaction shall require no-objection certificate (“**NOC**”) from the Debenture Trustee (who in turn shall obtain debenture holders’ approval).

Securities Laws (Contd...)

- ✓ The said NOC shall be obtained before seeking shareholder's approval on the same through resolution in all cases.
- ✓ Introduction of **BRSR** for HVDLEs on a **voluntary basis** as a practice of corporate governance at par with equity listed entities.
- ✓ HVDLEs to be included while determining the ceiling on the number of directorships, memberships or chairpersonships (*subject to the exclusions specified therein*) so as to ensure that a director is able to give adequate attention to each listed entity.
- SEBI approved the following amendment in the SEBI (Prohibition of Insider Trading) Regulations, 2015:
 - ✓ **Definition of Unpublished Price Sensitive Information ("UPSI"):** In order to enhance regulatory clarity, certainty and uniformity in compliance in the ecosystem, the definition of UPSI under Regulation 2(1)(n) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 has been amended to include additional 17 events, considered as material events requiring disclosures under Regulation 30 of the LODR Regulations.

Securities Laws (Contd...)

- ✓ **Applicability of threshold limits:** Additionally, the threshold limits as prescribed for events from Para A of Schedule III of LODR Regulations (Disclosures of Events or Information: Specified Securities) and Para B of Part A of Schedule III of the LODR Regulations (Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of Regulation (30)), have been made applicable for the purpose of identification of events as UPSI.
- ✓ **Timeline to make entries in the structured digital database:** In order to enhance the ease of doing business for the listed companies, for the events of UPSI emanating from outside the company, the entries in the structured digital database can be made within 2 days of occurrence. Further, in such a case, the closure of trading window shall not be mandatory.
- Further, the summary of the discussions of the Meeting of SEBI can be found as detailed in the following link.
- **Link of the Press Release.** [SEBI Board Meeting.](#)

Securities Laws (Contd...)

- ❑ **Notification No.** SEBI/LAD-NRO/GN/2024/218 (“**Notification**”)
- ❑ **Notification Date.** December 12, 2024
- ❑ **Notification Effective Date.** December 12, 2024 and December 31, 2024 as mentioned in the analysis provided below.
- ❑ **Notification Subject.** Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 (“**Amendment Regulations**”).
- ❑ **Analysis.**
 - The analysis of amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Principal Regulations**) can be accessed through the link provided below.
- ❑ **Link of the LA Update.** [Analysis of Amendment Regulations.](#)
- ❑ **Link to the Notification.** [SEBI \(Listing Obligations and Disclosure Requirements\) \(Third Amendment\) Regulations, 2024.](#)

Securities Laws (Contd...)

- ❑ **Notification No.** SEBI/LAD-NRO/GN/2024/215 (“**Notification**”)
- ❑ **Notification Date.** December 11, 2024
- ❑ **Notification Effective Date.** December 11, 2024
- ❑ **Notification Subject.** Securities and Exchange Board of India (Prohibition of Insider Trading) (Third Amendment) Regulations, 2024 (“**Amendment Regulations**”).
- ❑ **Analysis.**
 - The analysis of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**Principal Regulations**) can be accessed through the link provided below.
- ❑ **Link of the LA Update.** [Analysis of Amendment Regulations.](#)
- ❑ **Link to the Notification.** [SEBI \(Prohibition of Insider Trading\) \(Third Amendment\) Regulations, 2024.](#)

Insolvency & Bankruptcy Code

- ❑ **Circular No.** IBBI/LIQ/79/2024 (“**Circular**”)
- ❑ **Circular Date.** December 02, 2024
- ❑ **Circular Effective Date.** December 02, 2024
- ❑ **Circular Subject.** Extension of time for filing Forms to monitor liquidation and voluntary liquidation processes under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder.
- ❑ **Analysis.**
 - The Insolvency and Bankruptcy Board of India (“**IBBI**”) *vide* circular nos. IBBI/LIQ/73/2024 and No. IBBI/LIQ/74/2024 respectively, both dated June 28, 2024 had directed the liquidators to file forms relating to the liquidation and voluntary liquidation process by September 30, 2024 which was eventually extended till November 30, 2024 *vide* circulars nos. IBBI/LIQ/76/2024 and IBBI/LIQ/77/2024, respectively.
 - Pursuant to the representation received from the liquidators and insolvency professional agencies and difficulties faced by them, IBBI had extended the last date for submission of liquidation and voluntary liquidation forms to December 31, 2024.
 - For the ongoing liquidation and voluntary liquidation cases, the responsibility for filing the forms shall lie with the Insolvency Professionals (“**IP**”) currently handling the process.

Insolvency & Bankruptcy Code (Contd...)

- Where an application for closure or dissolution has been filed, or a dissolution or closure order has been passed, the IP under whose tenure the said application was filed or the order was passed shall be responsible for filing all forms related to the particular case.
- **Link to the Circular.** [Extension of timeline for filing forms to monitor liquidation and voluntary.](#)

Insolvency & Bankruptcy Code (Contd...)

□ **Subject.** The Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) (Second) Guidelines, 2024 issued on December 02, 2024. (“**Guidelines**”)

□ **Background.**

- The Insolvency and Bankruptcy Board of India (“**IBBI**”) is required to recommend an Insolvency Professional (“**IP**”) to the National Company Law Tribunal and Debt Recovery Tribunal (collectively referred to as “**Adjudicating Authority**”) once reference is received from the Adjudicating Authority for the corporate insolvency or individual insolvency, for appointment as an interim resolution professional (“**IRP**”), resolution professional (“**RP**”), liquidator and bankruptcy trustee (“**BT**”), on a case to case basis.
- Further, Rule 8(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019 and Rule 8(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy Process for Personal Guarantors to Corporate Debtors) Rules, 2019 enables the IBBI to share a panel of IPs for the above-mentioned appointment.
- However, considering the administrative delays caused due to appointment of an IP after reference being received, need was felt that the panel should be prepared first and information to be shared with the adjudicating tribunal thereby expediting the process.
- Accordingly, Guidelines have been released to provide the procedure for preparing panel of Insolvency Professionals to act as IRP, RP, Liquidators and BT.

Insolvency & Bankruptcy Code (Contd...)

□ Analysis.

- The panel of IPs prepared under these Guidelines shall be effective from January 01, 2025 to June 30, 2025.
- An IP shall be eligible for appointment in the panel if the criteria laid down in the Guideline as provided below is met:
 - ✓ there is no disciplinary proceeding, whether initiated by the IBBI or the insolvency professional agencies, pending against IP;
 - ✓ IP has not been convicted at any time in the last 3 years by a court of competent jurisdiction;
 - ✓ IP has submitted expression of interest along with consent to act as IRP, RP, Liquidator and BT, for appointment by the Adjudicating Authorities;
 - ✓ IP holds an authorisation for assignment (AFA), which is valid till the validity of panel.
- **Expression of Interest:** The IBBI shall invite expression of interest for inclusion of the name of the IP in the panel and the same shall be submitted by the IP in Form A (format provided in the Guidelines). The invite shall be sent via email and the submission of expression of interest shall be considered as an unconditional consent by the IP to act as IRP, Liquidator, RP or BT of any process relating to a corporate or individual debtor.

Insolvency & Bankruptcy Code (Contd...)

- The IPs were required to submit their expression of interest by December 24, 2024 and the IBBI in turn was required to submit the same to the Adjudicating Authority by December 31, 2024. IPs would have to select the sectors in which they have handled assignments or are handling assignments based on the options available in the form.
- **Panel of IPs:** IBBI shall further prepare a common panel of IPs, the tenure of the panel shall be for a period of 6 months and share the same with the Adjudicating Authority in accordance with the Guidelines. The panel shall be divided on the basis of the address of the IP into zones and shall be valid across all the NCLT benches. Moreover, Adjudicating Authority shall have authority to pick any name from the panel.
- **Sorting criteria:** The IPs shall be sorted based on the experience in assignments handled by them of liquidation and corporate insolvency resolution process for inclusion into the panel. If 2 or more IPs get the same score, they shall be placed in the panel based on the order of date of their registration with the IBBI.
- **Conditions for IPs:** If the name of the IPs are included in the panel, the same shall be considered as deemed acceptance to act as IRPs, Liquidator, RP or BT on being appointed by the Adjudicating Authority. Unless permitted by the Adjudicating Authority or IBBI, an IP cannot withdraw their consent or refuse to accept the appointment. If an IP refuses without any sufficient justification the same shall be considered as deviation from consent and the name of the IP shall be removed from the panel for a period of 6 months.

Insolvency & Bankruptcy Code (Contd...)

- IP shall not surrender its registration to IBBI or membership or AFA during the period when the panel is valid. The Adjudicating Authority has the power to appoint an IP from and outside the panel and the IBBI is required to accordingly required to take necessary steps for appointment of IP.
- The Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) Guidelines, 2024 issued on June 05, 2024 ("**2024 Guidelines**") shall be repealed with effect from the date on which the Guidelines come into effect. However, all the actions taken under the 2024 Guidelines shall be valid.

❑ **Link to the Guidelines.** [IBBI Second Guidelines December 2024.](#)

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Thank You



There is no wealth like knowledge and no poverty like ignorance - Buddha