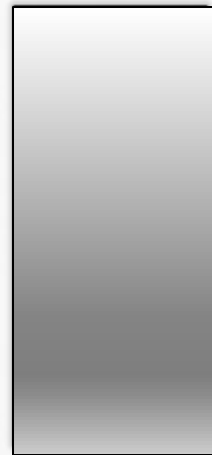


LEGALITE ADVISORS

IMPORTANT LEGAL UPDATES FOR OCTOBER, 2024



Ministry of Corporate Affairs

- ❑ **Notification No.** G.S.R. 630(E). (“**Notification**”)
- ❑ **Notification Date.** October 09, 2024
- ❑ **Notification Effective Date.** October 09, 2024
- ❑ **Notification Subject.** Companies (Adjudication of Penalties) Second Amendment Rules, 2024 (“**Amendment Rules**”).
- ❑ **Analysis.**
 - The Ministry of Corporate Affairs *vide* notification dated August 05, 2024 had amended the Companies (Adjudication of Penalties) Rules, 2014 by inserting Rule 3A.
 - In accordance with Rule 3A 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 (“**Authorities**”) would be conducted by electronic mode only through the e-adjudication platform developed by the Central Government.
 - The Ministry of Corporate Affairs *vide* the Amendment Rules has directed that all the proceedings pending before the Authorities prior to introduction of Rule 3A shall be conducted in accordance with the erstwhile provisions.

Ministry of Corporate Affairs (Contd...)

- The Amendment Rules aims to clear the ambiguity to ensure evenness in handling ongoing cases prior to introduction of Rule 3A.

□ **Link of the Notification.** [Adjudication of Penalties Amendment Rules](#)

Ministry of Corporate Affairs (Contd...)

- ❑ **Notification No.** G.S.R. 607(E). (“**Notification**”)
- ❑ **Notification Date.** October 03, 2024
- ❑ **Notification Effective Date.** October 04, 2024
- ❑ **Notification Subject.** Investor Education and Protection Fund Authority (Form of Annual Statement of Accounts) Amendment Rules, 2024 (“**Amendment Rules**”).
- ❑ **Analysis.**
 - The Ministry of Corporate Affairs *vide* this Notification, has introduced a change in the signatory for the purpose of the balance sheet, income and expenditure statement and receipt and payment account and schedules referred to in sub-rule (1) of Rule 3 of Investor Education and Protection Fund Authority (Form of Annual Statement of Accounts) Rules, 2018 for the financial statement prepared for the financial year (“**Annual Financial Statements**”).
 - In accordance with the Amendment Rules read with Investor Education and Protection Fund Authority (Form of Annual Statement of Accounts) Rules, 2018, the Annual Financial Statements approved and adopted by the Investor Education and Protection Fund Authority (“**Authority**”) or Committee authorised by the Authority shall be signed by the chief executive officer along with the Chairperson.
- ❑ **Link of the Notification.** [IEPFA Amendment Rules, 2024](#)

Securities Laws

- ❑ **Circular No.** SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133. (“**Circular**”)
- ❑ **Circular Date.** October 03, 2024
- ❑ **Circular Effective Date.** October 03, 2024
- ❑ **Circular Subject.** Relaxation from compliance of certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”).
- ❑ **Analysis.**
 - The Securities and Exchange Board of India (“**SEBI**”) *vide* the Circular has extended the relaxation to the listed companies from sending physical copies of financial statements (including Board’s report, Auditor’s report or other documents required to be attached therewith) to the shareholders, for the AGMs conducted till September 30, 2025 in line with the General Circular No.09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs.
 - While availing the aforesaid relaxation the listed entities shall ensure compliance with the following:
 - ✓ the listed entities are required to send hard copy of full annual report to those shareholders who request for the same.

Securities Laws (Contd...)

- ✓ the details of the annual general meeting published by advertisement in terms of regulation 47 of the LODR Regulations shall disclose the web-link where the annual report is published to enable shareholders to have access to the full annual report.

□ **Link of the Circular.** [Relaxation from compliance with certain provisions of the SEBI \(Listing Obligations and Disclosure Requirements\) Regulations, 2015](#)

Reserve Bank of India

- ❑ **Circular No.** RBI/FED/2024-25/78. (“**Circular**”)
- ❑ **Circular Date.** October 01, 2024
- ❑ **Circular Effective Date.** October 01, 2024
- ❑ **Circular Subject.** Directions - Compounding of Contraventions under FEMA, 1999 (“**Master Direction**”).
- ❑ **Analysis.**
 - The Master Direction released by the Reserve Bank of India, is an updated document subsequent to the amendments made in the Foreign Exchange (Compounding Proceedings) Rules, 2024 regarding ‘Compounding of Contraventions under FEMA, 1999’ through notification dated September 12, 2024 analysis whereof has been captured in the below mentioned link (“**Analysis**”). Accordingly, the Master Direction provides the latest and up to date legislation on compounding of contraventions under FEMA, 1999.
 - Further, the directions issued under earlier circulars have been reviewed and the list of earlier circulars superseded by the Circular is given in Appendix of the Master Direction.
- ❑ **Link of the Analysis.** [Foreign Exchange \(Compounding Proceedings\) Rules, 2024](#)
- ❑ **Link of the Circular.** [Directions - Compounding of Contraventions under FEMA, 1999](#)

Insolvency & Bankruptcy Code

- ❑ **Circular No.** IBBI/LIQ/78/2024. (“Circular”)
- ❑ **Circular Date.** October 29, 2024
- ❑ **Circular Effective Date.** November 01, 2024
- ❑ **Circular Subject.** Centralized Electronic Listing and Auction Platform for the Sale of Assets under Liquidation Process.
- ❑ **Analysis.**
 - For facilitating an effective process to comply with the provisions of Regulation 33 (1) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, which deals with the mode of sale of assets of the corporate debtor (“**CD**”), Insolvency and Bankruptcy Board of India (“**IBBI**”) has introduced an electronic centralised listing and auction platform where details of all assets under liquidation of CD are continuously available to the public.
 - Currently, the liquidators in the various liquidation process are selling the assets through various auction platforms and the details of a company's assets are typically made public only at the time of the auction notice, which leads to information asymmetry, as the potential buyers have limited time to assess the value of the assets.

Insolvency & Bankruptcy Code (Contd...)

- Effective from November 01, 2024, the liquidators shall sell the assets only through an electronic auction platform empanelled by IBBI. It will be a single listing platform to host all assets being sold in liquidation cases and would require the liquidators to list all assets of the CD - including comprehensive details such as the status of the attachment or lien, photographs, videos, geographical coordinates and the likely date of auction. For going concern sales (GCS), the entire CD would be listed on this platform.
- IBBI has collaborated with the Indian Banks' Association (IBA) to facilitate the auction of assets through the eBKray platform which is presently owned and managed by PSB Alliance Private Limited ("**PSB**") (a consortium of 12 public sector banks) which has been conducting auctions for assets mortgaged to public sector banks under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, for the past 5 (five) years.
- PSB has developed a module within the eBKray platform to facilitate the listing and auction of assets under the Insolvency and Bankruptcy Code which will be a centralized platform offering detailed information of CD's assets (*as specified above*). By enhancing transparency and efficiency through advanced technology, eBKray aims to increase bidder participation, streamline operations, and maximize returns for creditors while improving outcomes for bidders.
- Initially, the platform is envisioned to be deployed on a pilot mode and it will be improved based on the experiences of usage. The full-fledged roll-out of the platform will be notified thereafter. The insolvency professionals ("**IPs**") can access the platform using their login details on the IBBI platform. The platform may be accessed by the prospective buyers at <https://ebkray.in> and FAQs and guide to use the platform are placed at <https://ibbi.gov.in/en/home/psb-alliance>.

Insolvency & Bankruptcy Code (Contd...)

- The IPs handling the liquidation processes are hereby directed that they:
 - ✓ shall list the details of all the unsold assets in respect of the ongoing liquidation processes on the eBKray platform;
 - ✓ Shall list all the assets within 7 (seven) days of submission of the asset memorandum to the adjudicating authority in respect of liquidation processes commencing on or after this Circular; and
 - ✓ May use the eBKray auction platform for the sale of assets on or after this Circular in respect of all ongoing cases.
- **Link of the Circular.** [Centralized Electronic Listing and Auction Platform for the Sale of Assets under Liquidation Process](#)

Insolvency & Bankruptcy Code (Contd...)

- ❑ **Circular No.** IBBI/LIQ/77/2024. (“Circular”)
- ❑ **Circular Date.** October 09, 2024
- ❑ **Circular Effective Date.** October 09, 2024
- ❑ **Circular Subject.** Extension of time for filing forms to monitor voluntary liquidation processes under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder.
- ❑ **Analysis.**
 - Pursuant to the circular no. IBBI/LIQ/73/2024 dated June 28, 2024, the Insolvency and Bankruptcy Board of India (“**IBBI**”) had introduced certain electronic forms for the insolvency professionals, to provide the intimations relating to the voluntary liquidation process to the Board, as may be required from time to time, within the timeline specified therein. For all the ongoing cases, the said forms (*as may be applicable*) were required to be filed by September 30, 2024 (“**Due Date**”).
 - The Due Date is extended till November 30, 2024, since there are representations which have been received from the stakeholders about facing difficulty(ies) while submission of the form(s) for the ongoing cases, and consequently making it difficult to adhere to the timelines given by the IBBI.
 - **Link of the Circular.** [Extension of time for filing Forms to monitor voluntary liquidation processes under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder](#)

Insolvency & Bankruptcy Code (Contd...)

- ❑ **Circular No.** IBBI/LIQ/76/2024. (“Circular”)
- ❑ **Circular Date.** October 09, 2024
- ❑ **Circular Effective Date.** October 09, 2024
- ❑ **Circular Subject.** Extension of time for filing forms to monitor liquidation processes under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder.
- ❑ **Analysis.**
 - Pursuant to the circular no. IBBI/LIQ/73/2024 dated June 28, 2024, the Insolvency and Bankruptcy Board of India (“**IBBI**”) had introduced certain electronic forms for the insolvency professionals, to provide the intimations relating to the liquidation process to IBBI, as may be required from time to time, within the timeline specified therein. For all the ongoing cases, the said forms (*as may be applicable*) were required to be filed by September 30, 2024 (“**Due Date**”).
 - The Due Date has been extended till November 30, 2024, owing to difficulties while submission of the form(s) for the ongoing cases, and consequently making it difficult to adhere to the timelines given by the IBBI.
 - **Link of the Circular.** [Extension of time for filing Forms to monitor liquidation processes under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder](#)

Thank You



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