

VEDANAM



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Why Vedanam?

Mehta & Mehta proudly presents VEDANAM, our monthly newsletter designed to equip legal professionals, Company Secretaries, Chartered Accountants, and all Stakeholders navigating complex regulatory and legal environments. VEDANAM delivers meticulously curated:

- Timely Regulatory Updates
- Comprehensive Case Law Analysis
- Strategic Knowledge Article

With the release of our June 2025 issue, we reaffirm our commitment to providing you with the actionable knowledge needed to proactively navigate and thrive in today's dynamic business and legal landscapes.

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Find the latest updates about our Webinars and Circulars, Notifications and Updates published by SEBI, MCA, RBI, IBBI and other official government site.

SEBI CIRCULAR – 30TH OCTOBER 2025

Ease of doing business –Interim arrangement for certified past performance of Investment Advisers and Research Analysts prior to operationalisation of Past Risk and Return Verification Agency (“PaRRVA”)

SEBI, vide its circular dated October 30, 2025, introduces an interim arrangement allowing Investment Advisers (IAs) and Research Analysts (RAs) to share certified past performance data with clients until the Past Risk and Return Verification Agency (PaRRVA) becomes fully operational. Such data must be certified by a member of ICAI/ICMAI, shared only upon client request, and not published publicly. Once PaRRVA is operational, IAs/RAs must enrol within three months to continue sharing performance data, and after two years, only PaRRVA-verified metrics can be used. The circular also mandates use of a standard disclaimer and warns that violations may lead to enforcement action under SEBI regulations.

SEBI Circular – SEBI Notification - LODR Amendment - 19th November 2025

THE SEBI CIRCULAR DATED OCTOBER 30, 2025, GRANTS A FURTHER EXTENSION TO QUALIFIED STOCK BROKERS (QSBs)

The SEBI circular dated October 30, 2025, grants a further extension to Qualified Stock Brokers (QSBs) for implementing the required systems and processes to facilitate investor participation in the optional T+0 settlement cycle in the equity cash market. Earlier, the deadline was extended to November 1, 2025, but due to operational challenges highlighted by QSBs, SEBI has postponed the timeline again, with a new date to be announced later. All other provisions of the earlier circulars remain unchanged, and market infrastructure institutions (MIs) are instructed to make necessary amendments and inform market participants accordingly.

The SEBI- circular dated October 30, 2025, grants a further extension to Qualified Stock Brokers (QSBs).

FURTHER EXTENSION OF TIMELINE FOR MANDATORY IMPLEMENTATION OF SYSTEMS AND PROCESSES BY QUALIFIED STOCK BROKERS (QSBS) WITH RESPECT TO T+0 SETTLEMENT CYCLE

The SEBI circular dated October 30, 2025, grants a further extension to Qualified Stock Brokers (QSBS) for implementing the required systems and processes to facilitate investor participation in the optional T+0 settlement cycle in the equity cash market. Earlier, the deadline was extended to November 1, 2025, but due to operational challenges highlighted by QSBS, SEBI has postponed the timeline again, with a new date to be announced later. All other provisions of the earlier circulars remain unchanged, and market infrastructure institutions (MIIs) are instructed to make necessary amendments and inform market participants accordingly.

SEBI Update – Further extension of timeline for mandatory implementation of systems and processes by Qualified Stock Brokers (QSBS) with respect to T+0 settlement cycle

SEBI, VIDE ITS CIRCULAR DATED 16TH OCTOBER, 2025 HAS EXTENDED THE TIMELINE FOR EXISTING ANGEL FUNDS

SEBI, vide its Circular dated 16th October, 2025 has extended the timeline for existing Angel Funds to disclose a defined methodology in their Private Placement Memorandum (PPM) for allocation of investments among angel investors who approve such investments. Earlier, this disclosure and adherence to the methodology were required for investments made post October 15, 2025, as per SEBI's circular dated September 10, 2025, on the revised regulatory framework for Angel Funds. The compliance timeline has now been relaxed till January 31, 2026, meaning that any investment made by existing Angel Funds after this date must follow the allocation methodology disclosed in their PPM. All other provisions of the earlier circular remain unchanged.

SEBI, vide its Circular dated 16th October, 2025 has extended the timeline for existing Angel Funds to disclose

COMPLIANCE GUIDELINES FOR DIGITAL ACCESSIBILITY CIRCULAR 'RIGHTS OF PERSONS WITH DISABILITIES ACT, 2016 AND RULES MADE THEREUNDER-MANDATORY COMPLIANCE BY ALL REGULATED ENTITIES' DATED JULY 31, 2025 (CIRCULAR NO. SEBI/HO/ITD-1/ITD_VIAP/P/CIR/2025/111)

SEBI, vide its circular dated September 25, 2025, has issued Compliance Guidelines for Digital Accessibility under the Rights of Persons with Disabilities Act, 2016, making it mandatory for all regulated entities (REs) to ensure accessibility of their digital platforms. The circular prescribes timelines for submission of compliance, including furnishing a list of digital platforms (by Sept 30, 2025), appointment of IAAP-certified accessibility professionals (by Dec 14, 2025), conduct of initial accessibility audit (by Apr 30, 2026), remediation and final audit submission (by Jul 31, 2026), and thereafter annual accessibility audits (from FY 2026–27).

The mechanism of reporting differs by RE category some report via stock exchanges or BSE (for IAs and RAs), while others submit directly to SEBI through a specified email ID in prescribed formats.

1. Submission of Digital Platform Inventory

Deadline: September 30, 2025

REs must provide a comprehensive list of all digital platforms operated or maintained by them. This forms the foundation for ongoing accessibility audits and compliance reporting.

2. Appointment of IAAP-Certified Professionals

Deadline: December 14, 2025

Every RE must engage an IAAP-certified accessibility professional to conduct audits. This ensures that assessments follow globally recognised best practices and technical standards.

3. Initial Accessibility Audit

Deadline: April 30, 2026

A complete accessibility audit of each digital platform must be performed and documented.

The audit should identify barriers and gaps vis-à-vis accessibility norms.

4. Remediation & Final Audit Report

Deadline: July 31, 2026

REs must undertake corrective measures to fix the accessibility gaps identified in the initial audit and submit a validated final audit report.

5. Annual Accessibility Audit (Continuous Compliance)

Effective: FY 2026–27 onwards

REs must conduct yearly accessibility audits to maintain continuous compliance and ensure all digital platforms remain accessible.

Reporting Mechanism

Depending on the category of the regulated entity, the reporting channel varies:

- Listed entities & market intermediaries
- Report via stock exchanges
- Investment Advisers (IAs) & Research Analysts (RAs)
- Report via BSE
- Entities not mapped to an exchange
- Submit directly to SEBI using the specified email and formats

SEBI has provided standard templates to ensure uniform submissions.

Compliance Guidelines for Digital Accessibility Circular 'Rights of Persons with Disabilities Act, 2016 and rules made thereunder- mandatory compliance by all Regulated Entities' dated July 31, 2025 (Circular No. SEBI/HO/ITD-1/ITD_VIAP/P/CIR/2025/111).

**SEBI CIRCULAR -
16TH OCTOBER 2025**

SEBI, vide its Circular dated 16th October, 2025 has extended the timeline for existing Angel Funds to disclose a defined methodology in their Private Placement Memorandum (PPM) for allocation of investments among angel investors who approve such investments. Earlier, this disclosure and adherence to the methodology were required for investments made post October 15, 2025, as per SEBI's circular dated September 10, 2025, on the revised regulatory framework for Angel Funds. The compliance timeline has now been relaxed till January 31, 2026, meaning that any investment made by existing Angel Funds after this date must follow the allocation methodology disclosed in their PPM. All other provisions of the earlier circular remain unchanged.

SEBI Circular – 16th October 2025

SEBI, VIDE ITS CIRCULAR DATED 13TH OCTOBER, 2025, HAS INTRODUCED TIERED DISCLOSURE FRAMEWORK

SEBI has rolled out a Tiered Disclosure Framework for Related Party Transactions (RPTs) to streamline compliance, reduce unnecessary reporting burden for smaller transactions, and enhance transparency for larger, material deals.

This new structure ensures proportionate disclosure, aligned with the size and impact of transactions on listed entities and their shareholders.

1. Transactions up to ₹1 crore

No Disclosure Required

There is no change for this category. Smaller, routine transactions below ₹1 crore remain fully exempt from disclosure requirements.

Transactions Above ₹1 crore but Below the Materiality Threshold

Criteria:

- Transaction value > ₹1 crore, and
- ≤ 1% of the entity's annual consolidated turnover, or
- ≤ ₹10 crore, whichever is lower

Simplified Disclosure

Entities must provide limited disclosures to:

- Audit Committee, and
 - Shareholders,
- in the prescribed simplified format (Annexure-13A) of the circular.

These disclosures ensure accountability while avoiding extensive reporting for moderately sized transactions.

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5.1 Paragraph 4 under Part A of Section III-B of the Master Circular shall stand

substituted by the following paragraph:

“The listed entity shall provide the audit committee with the information as specified in the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”, while placing any proposal for review and approval of an RPT.

Transactions Above ₹1 crore but Below the Materiality Threshold Criteria:

- Transaction value > ₹1 crore, and
 - ≤ 1% of the entity's annual consolidated turnover, or
 - ≤ ₹10 crore, whichever is lower
- #### Simplified Disclosure

Entities must provide limited disclosures to:

- Audit Committee, and
 - Shareholders,
- in the prescribed simplified format (Annexure-13A) of the circular.

These disclosures ensure accountability while avoiding extensive reporting for moderately sized transactions.

3. RPTs Exceeding the Specified Threshold (Material RPTs)

Full Disclosure as per Industry Standards

Transactions crossing the above thresholds must adhere to the complete disclosure framework, including:

- Detailed background
- Terms & conditions
- Valuation and fairness
- Rationale and business justification
- Audit Committee recommendations
- Shareholder approvals
- Post-transaction updates where applicable

This ensures high transparency for deals with significant financial or governance **impact**.

SEBI Circular – SEBI, vide its Circular dated 13th October, 2025, has introduced Tiered disclosure framewor



RBI UPDATE - AMENDMENTS TO DIRECTIONS - COMPOUNDING OF CONTRAVENTIONS UNDER FEMA, 1999

RBI has amended the Master Directions on Compounding of Contraventions under FEMA, 1999 dated April 22, 2025 by revising the bank account details for receipt of compounding application fees and compounding amounts via NEFT/RTGS.

RBI Update - Amendments to Directions - Compounding of Contraventions under FEMA, 1999

RBI FOREIGN EXCHANGE MANAGEMENT (EXPORT OF GOODS AND SERVICES) (SECOND AMENDMENT) REGULATIONS, 2025

The Foreign Exchange Management (Export of Goods and Services) (Second Amendment) Regulations, 2025 amend the 2015 Principal Regulations by extending various time limits. The period for realising export proceeds under Regulation 9 is increased from nine months to fifteen months.

Under Regulation 15, the time permitted for exporters to write off unrealised export bills is extended from one year to three years, including in the proviso and related sub-regulations.

RBI Foreign Exchange Management (Export of Goods and Services) (Second Amendment) Regulations, 2025

RBI UPDATE - RESERVE BANK OF INDIA (TRADE RELIEF MEASURES) DIRECTIONS, 2025

The Reserve Bank of India has issued the Trade Relief Measures Directions, 2025, effective immediately, to support export-oriented borrowers affected by global trade disruptions. The Directions apply to banks, co-operative banks, NBFCs (including HFCs), All-India Financial Institutions and, to a limited extent, Credit Information Companies. Borrowers engaged in specified export sectors, having outstanding export credit and classified as standard as on August 31, 2025, are eligible for relief. The framework permits regulated entities to grant a moratorium on term-loan instalments and deferment of CC/OD interest falling due between September 1 and December 31, 2025, with interest to accrue only on a simple basis. Accrued interest for the moratorium period may be converted into a FITL

repayable between April and September 2026. REs may also revisit working capital limits and margins during the effective period.

Additional measures include permitting extended export credit tenors up to 450 days for pre- and post-shipment credit disbursed until March 31, 2026, and allowing liquidation of packing credit through alternate legitimate sources, including domestic sales. The moratorium and related measures will not be treated as restructuring, and the moratorium period will be excluded for asset classification. REs must create a general provision of at least 5% on eligible standard accounts by December 31, 2025, with adjustments permitted until June 30, 2026. They must also maintain borrower-wise MIS and submit fortnightly reports on DAKSH

RBI Update - Reserve Bank of India (Trade Relief Measures) Directions, 202

RBI UPDATE MASTER DIRECTION (REPURCHASE TRANSACTIONS (REPO)) DIRECTIONS, 2025

The Reserve Bank of India has issued the Master Direction – Reserve Bank of India (Repurchase Transactions (Repo)) Directions, 2025, replacing all previous circulars on the subject.

These Directions govern repo transactions in government securities, listed corporate bonds, commercial papers, certificates of deposit, Debt ETFs, and municipal debt securities undertaken on recognized stock exchanges, electronic trading platforms (ETPs), and the OTC market. Eligible participants include regulated entities, listed corporates, certain unlisted companies issued special securities by the Government of India, and All India Financial Institutions. Repo transactions can have a tenor ranging from one day to one year and must be settled on a Delivery versus Payment (DvP) basis.

Further, the Directions prescribe minimum haircuts 2% for corporate bonds and local authority securities, and 1.5% for CPs and CDs to ensure prudent collateral management. All transactions must be reported within 15 minutes to designated platforms (F-TRAC for corporate securities and CROMS for government securities). Repos in government securities are exempt from CRR/SLR computation, while those in corporate bonds are treated as liabilities for these purposes. Participants are required to use standard FIMMDA documentation or platform-specific agreements, and detailed accounting and disclosure norms to ensure

RBI Update - Master Direction – Reserve Bank of India (Repurchase Transactions (Repo)) Directions, 2025

RBI UPDATE - RBI (NOMINATION FACILITY IN DEPOSIT ACCOUNTS, SAFE DEPOSIT LOCKERS AND ARTICLES KEPT IN SAFE CUSTODY WITH THE BANKS) DIRECTIONS, 2025

The Reserve Bank of India has issued the Nomination Facility in Deposit Accounts, Safe Deposit Lockers and Articles kept in Safe Custody with Banks Directions, 2025, effective November 1, 2025, aligning with amendments to the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 2025.

Banks must offer and explain the nomination facility to customers for deposits, lockers, and safe custody articles, while ensuring account opening is not denied if a customer declines nomination. Proper systems must be in place for registration, modification, or cancellation of nominations with acknowledgment within three working days. The nominee's name and status should be printed on account documents, and banks must conduct awareness campaigns to educate customers about the benefits of nomination.

RBI Update - RBI (Nomination Facility in Deposit Accounts, Safe Deposit Lockers and Articles kept in Safe Custody with the Banks) Directions, 2025

RBI UPDATE - FOREIGN EXCHANGE MANAGEMENT (BORROWING AND LENDING) (AMENDMENT) REGULATIONS, 2025

The Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2025, amend the 2018 principal regulations to permit Authorised Dealer (AD) banks in India to lend in Indian Rupees to persons resident outside India who are residents of Bhutan, Nepal, or Sri Lanka including banks in these jurisdictions for the purpose of cross-border trade transactions.

RBI Update - Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2025

RBI UPDATE - FOREIGN EXCHANGE MANAGEMENT (FOREIGN CURRENCY ACCOUNTS BY A PERSON RESIDENT IN INDIA) (SEVENTH AMENDMENT) REGULATIONS, 2025

The Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (Seventh Amendment) Regulations, 2025 amend the 2015 principal

regulations to include a definition for “International Financial Services Centre (IFSC)” as per the International Financial Services Centres Authority Act, 2019. The amendment allows Indian exporters to open, hold, and maintain foreign currency accounts with banks outside India, including those located in IFSCs, for the purpose of receiving full export value or advance remittances for goods or services

The funds in such accounts may be used for making import payments into India or must be repatriated to India within three months for accounts maintained in IFSCs, or by the end of the next month for accounts in other jurisdictions, after adjusting for forward commitments. It further clarifies that foreign currency accounts permitted to be opened “outside India” or “abroad” may also be opened in an IFSC.

RBI Update – Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025

RBI UPDATE - RESERVE BANK - INTEGRATED OMBUDSMAN SCHEME, 2021 (RB-IOS, 2021)

The Reserve Bank of India, through its notification dated October 7, 2025, has expanded the scope of the Reserve Bank–Integrated Ombudsman Scheme, 2021

(RB-IOS, 2021) to include State Co-operative Banks and Central Co-operative Banks as regulated entities, effective November 1, 2025. With this inclusion, the Scheme will cover all Commercial Banks, Regional Rural Banks, State and Central Co-operative Banks, Urban Co-operative Banks with deposits of ₹50 crore or more, eligible NBFCs, System Participants, and Credit Information Companies, thereby strengthening the framework for consumer grievance redressal across the financial sector.

RBI Update - Reserve Bank - Integrated Ombudsman Scheme, 2021 (RB-IOS, 2021).



IBBI UPDATE - INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR PERSONAL GUARANTORS TO CORPORATE DEBTORS) (AMENDMENT) REGULATIONS, 2025.

The Insolvency and Bankruptcy Board of India has notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Second Amendment) Regulations, 2025, inserting a new Regulation 23 into the principal 2019 Regulations. The amendment mandates that resolution professionals file all forms and enclosures as notified by the Board through circulars, within the prescribed timelines, using the electronic platform provided by the Board. The resolution professional must also ensure the accuracy and completeness of every form and related document submitted.

Any form filed after its due date including corrections or updates must be accompanied by a fee of five hundred rupees per form for each calendar month of delay from the date notified by the Board. The Board may take action under the Code or related regulations for non-compliance, including failure to file forms, inaccurate or incomplete filings, or delayed submissions, which may also affect the issuance or renewal of Authorisation for Assignment. These regulations come into force from the date of their publication in the Official Gazette.

[IBBI Update – Insolvency and Bankruptcy Board of India \(Insolvency Resolution Process for Corporate Persons\) \(Fourth Amendment\) Regulations, 2025](#)

HAABIA RESOURCE PVT. LTD. VS. VIDYUT METALLICS PVT. LTD. HIGHLIGHTS THE CONSEQUENCES OF DELAYED ACTION.”

AN MSME AWARD THAT BECAME FINAL IN 2013 COULD NOT TRIGGER INSOLVENCY IN 2022. NCLAT CONFIRMS THAT ARTICLE 137 GOVERNS SECTION 9 APPLICATIONS, NOT THE 12-YEAR DECREE PERIOD.

THE PETITION IS HELD TO BE TIME-BARRED, REAFFIRMING THAT IBC CANNOT REVIVE STALE CLAIMS.

Case & result : Haabia Resource’s Section 9 petition based on an MSME award that became final in 2013 was held time-barred when the petition was filed in 2022; NCLAT affirmed the NCLT dismissal (Section 9 claim hopelessly out of limitation).

Brief about the decision:

Facts of the case

SBI initiated proceedings by demonstrating that the Corporate Debtor had availed credit facilities and subsequently defaulted on repayment. The bank produced comprehensive evidence including loan agreements, sanction letters, account statements, and several written acknowledgments of debt signed by the Corporate Debtor over the years. These acknowledgments were crucial as they confirmed the subsisting liability and reflected the debtor’s continued recognition of outstanding dues. Despite being given adequate opportunity, the Corporate Debtor failed to file a substantive reply or provide any documentation to dispute the debt, challenge the default, or refute the acknowledgments relied upon by SBI.

ISSUE

The primary issue before the Tribunal was whether SBI had successfully proved the existence of debt and occurrence of default as required under the Insolvency and Bankruptcy Code. Additionally, the Tribunal had to determine whether the Corporate Debtor’s written acknowledgments constituted valid acknowledgment under Section 18 of the Limitation Act,

thereby extending the limitation period and keeping the petition maintainable.

DECISION

The Tribunal held that SBI had conclusively established both the debt and the default through documentary evidence, while the Corporate Debtor failed to offer any credible or legally tenable defence. The Tribunal further observed that multiple written acknowledgments executed by the Corporate Debtor unequivocally confirmed the outstanding liability and operated to extend the limitation period. In view of these findings, the Tribunal ruled that the petition was well within limitation and upheld the admission of CIRP, affirming that the initiation of insolvency proceedings by SBI was valid and justified.

THE INSOLVENCY OF A PERSONAL GUARANTOR: A DEEP DIVE INTO KIRAN KUMAR JAIN VS. COSMOS BANK. NCLAT EXPLORES WHETHER LIABILITY CAN ARISE WITHOUT FRESH DISBURSEMENT OR INVOCATION. SELECTIVE ACTION AGAINST ONE GUARANTOR UPHELD AMIDST PENDING DRT COUNTERCLAIMS. SETTLEMENT WITHOUT 90% CREDITOR CONSENT FAILS TO TERMINATE THE SECTION 95 PROCESS.

FACTS

Kiran Kumar Jain stood as a personal guarantor for credit facilities of around ₹44 crore granted to Dilip Chabria Design Pvt. Ltd., under a guarantee executed on 2 March 2016. The bank claimed the guarantee covered existing as well as future facilities, whereas Jain argued it was dependent on fresh disbursement, which he said never occurred. After the borrower defaulted, Cosmos Bank issued recovery notices and filed a Section 95 IBC application against Jain, which NCLT Mumbai admitted. Jain appealed, arguing (i) the guarantee never crystallised, (ii) pending DRT counterclaims made IBC proceedings improper, (iii) the bank unfairly targeted only him, and (iv) the process should end due to a private settlement reached during the appeal. The Resolution Professional objected, pointing out that Rule 11 of the PG Rules requires 90% creditor consent for withdrawal after admission and that an additional Income Tax claim of ₹17.8 crore also had to be considered.

ISSUES

The key issues before the Tribunal were whether the 2016 guarantee executed by the appellant operated as a continuing guarantee, thereby covering both past and future credit facilities granted to the borrower, and whether the guarantor's liability could arise even without any fresh disbursement or a separate formal invocation by the bank. The Tribunal also examined whether the pendency of DRT proceedings or counterclaims created any bar to initiating or admitting a Section 95 insolvency process against a personal guarantor. Another important issue was whether the creditor had the commercial discretion to proceed selectively against only one guarantor out of several. Additionally, the Tribunal considered whether a private settlement between the bank and the guarantor reached after admission could terminate the insolvency process without complying with Rule 11, which mandates 90% creditor consent for withdrawal. Finally, the Tribunal evaluated whether third-party claims, such as outstanding tax dues, must be factored in before permitting any settlement or withdrawal of the insolvency proceedings

DECISION

The NCLAT dismissed the appeal and upheld admission of the Section 95 process. It held that the guarantee was continuing, covered both existing and future facilities, and actual disbursements and repayments proved liability had crystallised. A formal invocation was not mandatory when the borrower had already defaulted and recovery notices were issued. Pending DRT proceedings did not bar the IBC route, as both remedies can run in parallel. The bank was free to proceed against one guarantor as a matter of commercial choice. Most importantly, the Tribunal ruled that the private settlement between Jain and the bank could not terminate the IBC proceedings post-admission: withdrawal required statutory compliance under Rule 11, including 90% creditor consent and consideration of the Income Tax claim, which protected the rights of all creditors. Thus, the Section 95 admission was lawful and remained in force.

KFC'S LATE BANKRUPTCY FILINGS PUT TO THE LEGAL TEST. NCLT KOCHI INTERPRETS SECTION 121(2) WITH A JUSTICE-ORIENTED LENS. DELAY EXCUSED UNDER SECTION 5, DESPITE 348 DAYS' LAPSE.

A SIGNIFICANT PRECEDENT FOR PERSONAL GUARANTOR BANKRUPTCY PROCEEDINGS.

IFACTS

Trivandrum International Health Services Ltd. entered CIRP on 7 February 2020 and was later pushed into liquidation on 2 June 2022. Kerala Financial Corporation (KFC), holding an admitted claim of about ₹61 crores, recovered only a portion during liquidation. The personal guarantors for the debt were Dr. Bharath Chandran and Dr. Ashalatha Nair. After no repayment plan emerged under Section 95 proceedings, the NCLT on 21 December 2023 allowed creditors to file bankruptcy applications under Section 121. KFC, however, filed its applications only on 4 March 2025 348 days beyond the statutory three-month period. To justify the delay, KFC argued that liquidation proceedings, internal sanction processes, and procedural formalities contributed to the lapse, and that Section 5 of the Limitation Act permitted condonation. The guarantors objected, asserting that the delay was fatal, that Section 121(2) was mandatory, and that both the belated filing and the delay in submitting the Section 112 report rendered the applications time-barred.

ISSUE

The central issue before the NCLT Kochi Bench was whether the bankruptcy applications filed by Kerala Financial Corporation (KFC) against the personal guarantors were barred by limitation under Section 121(2) of the IBC, which requires creditors to file such applications within three months from the submission of the resolution professional's report. Since KFC filed the applications after a delay of 348 days, the Tribunal had to determine whether this statutory timeline was mandatory and inflexible or merely directory, allowing relaxation in appropriate circumstances. A related question was whether Section 5 of the Limitation Act, made applicable through Section 238A of the IBC, could be invoked to condone the delay. The Tribunal also examined whether the reasons cited by KFC such as ongoing liquidation proceedings, the moratorium under Section 14, internal approvals, and procedural hurdles constituted "sufficient cause" for condonation. Additionally, it considered whether Article 137's general three-year limitation period governed such applications or whether Section 121(2) created a separate limitation regime. A further consideration was whether the resolution professional's own delay in filing the Section 112 report affected computation of limitation or prejudiced the creditor's right to proceed.

DECISION

The NCLT Kochi Bench held that although Section 121(2) uses mandatory language, the absence of any penal consequence indicates that the provision is directory rather than rigidly mandatory. Strict enforcement of the three-month period, the Tribunal reasoned, would frustrate the IBC's objective of ensuring effective creditor remedies. Accepting KFC's explanations regarding ongoing liquidation and the time required for internal approvals, the Tribunal held that sufficient cause had been demonstrated for delay. Invoking Section 238A, it ruled that Section 5 of the Limitation Act applies to personal-guarantor bankruptcy proceedings and that the delay of 348 days could thus be condoned. The delay was condoned subject to costs of ₹25,000 per case payable to the National Defence Fund, and the bankruptcy applications were declared maintainable and admitted, setting an important precedent that timelines under Section 121(2) may be relaxed in the interest of justice.

WHEN ONE INSOLVENCY BEGINS, THE REST MUST FALL: A DEEPER LOOK INTO NCLAT'S STAND ON PARALLEL PROCEEDINGS.

HOW THE ADMISSION OF A SINGLE CIRP PETITION OVERRIDES ALL SUBSEQUENT CLAIMS UNDER IBC.WHY RECALL APPLICATIONS CANNOT SURVIVE ONCE INSOLVENCY IS TRIGGERED AGAINST A CORPORATE DEBTOR. A CASE THAT REINFORCES THE IBC'S FOUNDATIONAL PRINCIPLE ONE DEBTOR, ONE INSOLVENCY, ONE PROCESS.

Brief about the decision**Facts of the case**

Devi Engineering and Construction Pvt. Ltd. became the subject of multiple insolvency proceedings initiated by different creditors. The first petition, CP (IB) No. 34/9/AMR/2021, was filed under Section 9 by Global Enterprises and was admitted by the NCLT, Amaravati Bench, on 07 July 2025, thereby triggering CIRP, imposing moratorium, and leading to the appointment of an IRP who took control of the corporate debtor's operations. Around the same time, another creditor had already filed a separate petition under Section 7 being CP (IB) No. 1/7/AMR/2025. The corporate debtor opposed this second petition through a detailed recall

application challenging the allegations and raising maintainability objections. However, before the recall application could be decided, CIRP had already been initiated pursuant to the first petition. The NCLT held that, in light of the ongoing CIRP, the second petition had become infructuous, and accordingly closed it without considering the recall application. Aggrieved, the corporate debtor appealed to the NCLAT, arguing that the NCLT erred in refusing to adjudicate the recall application and that procedural rights do not automatically dissolve once another petition is admitted.

ISSUE

The central issue before the NCLAT, Chennai Bench, was whether the NCLT was correct in declaring the second insolvency petition, CP (IB) No. 1/7/AMR/2025, infructuous once the earlier petition, CP (IB) No. 34/9/AMR/2021, had already been admitted and CIRP had begun. The Tribunal had to determine whether, despite the commencement of CIRP under the first petition, the corporate debtor's recall application filed within the second petition should still have been adjudicated on its merits to ensure procedural fairness. This raised a larger question under the IBC framework whether multiple insolvency proceedings can simultaneously continue against the same corporate debtor or whether the admission of the earliest petition automatically renders all parallel petitions non-maintainable. The NCLAT was therefore required to balance the debtor's claim of procedural prejudice with the Code's legislative intent of maintaining a single, consolidated insolvency process to avoid conflicting orders and fragmentation of creditor claims.

DECISION

The NCLAT, Chennai Bench, upheld the NCLT's order and reaffirmed the fundamental IBC principle that once a corporate debtor is admitted into CIRP under any petition filed under Section 7, 9, or 10, all other pending insolvency petitions automatically become redundant and cannot proceed. The Tribunal emphasized that the IBC envisages a unified, centralized insolvency mechanism and that allowing parallel proceedings would create conflicting decisions, administrative chaos, and fragmentation of the resolution process, which is contrary to the Code's objective. With respect to the recall application, the NCLAT held that once insolvency is triggered in the first petition, the corporate debtor's status is conclusively determined and no further adjudication is required or permissible in subsequent petitions, including procedural applications embedded within them. The Tribunal clarified that creditors from later petitions are not prejudiced, as they may file their claims before the IRP/RP within the ongoing CIRP. Upholding the doctrine of "One Debtor, One CIRP," the NCLAT dismissed the appeal and affirmed that the corporate debtor's only remedy lies within the already-admitted CIRP, not through revival of parallel insolvency proceedings.

A Collusive CIRP Uncovered: When Insolvency Becomes a Tool for Fraud. NCLAT Reaffirms That the IBC Cannot Serve as a Shield Against Consumer and RERA Liabilities. How Related-Party Dealings and Fabricated Financial Records Led to the Recall of a Section 7 Admission. A Landmark Case Reinforcing That Fraud Vitiates All Insolvency Proceedings, No Matter the Stage.

Brief about the decision:

Facts of the case

Logix and Expert Realty entered into an MoU under which Expert Realty claimed to have infused ₹15 crores, later treating it as a loan default. Homebuyers objected, pointing out that the documents were unregistered, the financial statements treated the infusion as an investment, and later showed no outstanding liability. They also highlighted clear related-party links between the directors of both companies, suggesting a pre-planned strategy to trigger CIRP to bypass RERA and consumer claims. These red flags led to allegations that the Section 7 plea was collusive and filed with mala fide intent.

ISSUE

The core issue before the NCLAT was whether the Section 7 insolvency petition filed by Expert Realty against Logix Infrastructure was a genuine financial debt or a collusive attempt to misuse the IBC and avoid liabilities owed to homebuyers and RERA. The Tribunal had to decide if the initiation of CIRP was fraudulent and whether the NCLT had the authority to recall its admission order under Section 65 when collusion is evident. The case raised concerns about preserving the integrity of the insolvency process and preventing the IBC from being used as a shield against statutory obligations.

DECISION

The NCLT found the Section 7 petition fraudulent, declared the MoU unreliable, noted financial inconsistencies, and exposed the related-party connections, concluding that the CIRP initiation was collusive under Section 65. It recalled the admission order and imposed a penalty of ₹55 lakhs on Expert Realty. The NCLAT upheld this decision, ruling that fraud vitiates all proceedings and that the IBC cannot be misused to evade consumer or statutory liabilities. The appeal was dismissed, reaffirming that tribunals can recall CIRP admission orders when fraud is established.

WHEN VOTING SHARE OVERRIDES SECURITY INTEREST: A BATTLE OVER DISTRIBUTION RIGHTS UNDER THE IBC. SIDBI'S CHALLENGE EXPOSES THE TENSION BETWEEN MAJORITY CONTROL AND MINORITY PROTECTION IN COC DECISIONS. NCLAT REAFFIRMS THAT COMMERCIAL WISDOM OF THE COC CANNOT BE REWRITTEN BY COURTS. A SIGNIFICANT RULING ON WHETHER SECURED CREDITORS CAN DEMAND PRIORITY BEYOND THEIR VOTING POWER.

BRIEF ABOUT THE DECISION**FACTS OF THE CASE**

SIDBI, a secured financial creditor with only 3.22% voting share, objected to the CoC's decision dominated by PNB with 96.68% to distribute resolution proceeds based solely on voting share instead of the value of security interest. Despite SIDBI's objections, the NCLT Jaipur approved the Resolution Plan on 12 March 2024. SIDBI later filed an application challenging the distribution model, but the NCLT rejected it on 30 June 2025, holding that the CoC's commercial wisdom prevails. SIDBI appealed to the NCLAT, arguing that the method was unfair to minority secured creditors, while the respondents argued that SIDBI was attempting to reopen a concluded and implemented plan.

ISSUE

The NCLAT had to decide whether resolution proceeds should be distributed based on security interest or voting share in the CoC. SIDBI argued that, despite having only 3.22% voting share, its secured status entitled it to priority distribution. With PNB holding 96.68%, the CoC approved distribution purely on voting share. The key issue was whether this decision was legally sustainable and whether majority voting can override the rights of minority secured creditors under Section 30(2) of the IBC.

DECISION

The NCLAT dismissed SIDBI's appeal and upheld the CoC-approved voting-share-based distribution. Relying on *Amit Metaliks*, it held that allocation of proceeds falls within the CoC's commercial wisdom, which cannot be interfered with unless there is a clear statutory breach. SIDBI's security interest did not entitle it to override the CoC's majority decision, particularly since the plan complied with Section 30(2) and was already implemented. Reopening the plan, the Tribunal held, would undermine finality in the insolvency process.

Part-Payments Under OTS Change the Default Picture. IBC Is Not Designed for Coercive Recovery Security Disputes Require Detailed Adjudication. NCLAT Dismisses Kotak's Section 7 Petition.**Brief about the decision****Facts of the case**

Kotak Mahindra Bank sanctioned a ₹11.02 crore Loan Against Property to Ashina Fincap in May 2024, secured against an industrial property in Rajasthan. The loan was disbursed to Yes Bank as a balance transfer, but the mortgaged property was later sold without Kotak's consent, and EMIs stopped from December 2024. Kotak recalled the loan and filed a Section 7 IBC application in February 2025 for an outstanding ₹9.44 crore, while also pursuing recovery before DRT Chandigarh. The corporate debtor alleged fraud, collusion, and claimed the loan substratum was destroyed since the security was lost.

ISSUES

The key issues before the Tribunal were whether a clear and undisputed financial default existed on the date of filing the Section 7 application, given the part-payments made under the OTS. The Tribunal also had to consider whether allegations of fraud, collusion, and the illegal sale of the secured property could be examined within the limited summary jurisdiction of an IBC admission proceeding. Further, it was necessary to determine whether the simultaneous pursuit of remedies before both the DRT and NCLT amounted to forum shopping by the financial creditor. Lastly, the Tribunal examined whether the loss or impairment of the secured asset had any bearing on the borrower's liability or the enforceability of the loan itself.

DECISION

The NCLT dismissed the Section 7 petition, holding that although financial debt existed, default was not clear because the corporate debtor had made ₹1.14 crore OTS part-payments and negotiations were ongoing. The fraud and collusion allegations involved complex factual disputes unsuitable for summary IBC proceedings. The Tribunal also found that parallel DRT and IBC filings suggested forum shopping, reiterating that IBC is not a recovery tool.

IBC APPEALS CANNOT WAIT FOR UPLOADED ORDERS.FINAL ORAL ORDERS HOLD FULL LEGAL FORCE. DELAY CONDONATION HAS STRICT BOUNDARIES UNDER SECTION 61. NCLAT CONFIRMS APPEAL WAS IRRETRIEVABLY TIME-BARRED.

Brief about the decision**Facts of the case**

Ambience Airtech Pvt. Ltd. filed a Section 9 CIRP application against Gaursons Hi-Tech Infrastructure Pvt. Ltd., which the NCLT orally rejected in open court on 11 March 2025. Although the signed order was uploaded later on 27 March 2025, the Operational Creditor neither applied for a certified copy nor sought exemption. On 7 May 2025, nearly two months after pronouncement, the creditor filed an appeal with a delay condonation request, arguing that limitation began from the upload date and relying on precedents where no operative pronouncement had existed. The respondents countered that limitation strictly ran from 11 March 2025, and uploading was merely an administrative act.

ISSUE

The key issue was whether the limitation for filing an appeal under Section 61(2) IBC begins from the date of oral pronouncement or from the date of uploading the written order. The Tribunal also examined whether waiting for the uploaded order justified condonation, whether the cited precedents applied, and whether the appellant exercised due diligence in securing the order.

DECISION

The NCLAT dismissed the appeal as time-barred, holding that limitation starts from 11 March 2025, the date of oral pronouncement. Uploading the written order does not extend statutory timelines when the operative order is already pronounced. The Tribunal rejected reliance on Sanjay Pandurang Kalate, noted the appellant's lack of diligence, and held that the delay exceeded the maximum 45-day limit under Section 61(2). The delay was therefore non-condonable, and the appeal was dismissed.

DEBT AND DEFAULT MAKE CIRP ADMISSION MANDATORY. SPECULATIVE ARBITRATION CLAIMS CANNOT STALL INSOLVENCY. CONCESSION AGREEMENT DISPUTES CANNOT SHIFT BORROWER LIABILITY. NCLAT UPHOLDS CIRP AGAINST HIGHWAY PROJECT SPV.

BRIEF ABOUT THE DECISION**FACTS OF THE CASE**

The Corporate Debtor, an SPV executing a BOT highway project, had borrowed over ₹400 crores from a consortium led by Union Bank of India. After repeated restructurings and acknowledgments of liability, the loan turned NPA in 2016, leading to a recall notice and a Section 7 petition filed in 2018. The NCLT admitted the petition in May 2023. The Corporate Debtor argued that its liability shifted to the Government of Maharashtra due to termination of the concession agreement and an ongoing arbitration claim of ₹456.71 crores, while also relying on potential settlement discussions. It challenged the admission of CIRP before the NCLAT.

ISSUE

The core issue before the NCLAT was whether the NCLT correctly admitted the Section 7 petition when both the existence of financial debt and the fact of default were undisputed. The Tribunal had to consider whether pending arbitration with the Government of Maharashtra or the possibility of settlement under the concession agreement could alter or defer the Corporate Debtor's liability. It also examined whether the Corporate Debtor could rely on Vidarbha Industries to argue for discretionary non-admission despite admitted debt and default, and whether speculative future claims or substitution rights could override the IBC's mandatory admission framework.

DECISION

The NCLAT upheld the CIRP admission, holding that once financial debt and default are proven, Section 7 admission is mandatory. Arbitration claims, termination disputes, or proposed settlements cannot negate liability or prevent insolvency proceedings. The Tribunal clarified that Vidarbha was inapplicable because the Corporate Debtor had no enforceable award only an uncertain claim. Since the alleged settlements were far below the outstanding dues, the appeal was dismissed and CIRP was allowed to continue.

NCLAT CLARIFIES THE FATE OF BIFR SCHEMES UNDER IBC. RESOLUTION PLAN APPROVAL WIPES ALL PRE-CIRP CLAIMS CLEAN. AXIS BANK'S CLAIM TO RECOVER ₹118.46 CRORES REJECTED. DOCTRINE OF CLEAN SLATE REINFORCED ONCE AGAIN.

brief about the decision:**Facts of the case**

Trinity Auto Components Ltd. was under a BIFR-approved rehabilitation scheme (2014) where Axis Bank, the sole secured creditor, was required to charge a capped interest of 12%. However, the bank charged higher interest and later refunded ₹118.46 crores in 2017 as excess interest. Soon after, CIRP was initiated in May 2017, and a Resolution Plan was approved in January 2018, again prescribing a 12% capped interest for fresh credit. Axis Bank later demanded repayment of the refunded ₹118.46 crores, claiming the BIFR concessions no longer applied. Trinity Auto approached the NCLT, arguing that BIFR concessions survived, and that the bank's demand violated both BIFR and the Resolution Plan.

ISSUE

Whether the earlier BIFR scheme and its concessions survive after approval of a Resolution Plan under the IBC, and whether Axis Bank can reclaim the refunded ₹118.46 crores or Trinity Auto can enforce BIFR benefits.

DECISION

The NCLAT held that once a Resolution Plan is approved under Section 31 of the IBC, it becomes binding on all stakeholders and supersedes all prior schemes, including BIFR rehabilitation plans. Applying the Clean Slate Doctrine, the Tribunal ruled that all pre-CIRP claims not forming part of the Resolution Plan stand extinguished. Therefore, Axis Bank cannot reclaim the ₹118.46 crores, and Trinity Auto cannot rely on BIFR concessions. The NCLAT upheld the NCLT's decision and dismissed the appeal.

SBI PROVES DEBT. CORPORATE DEBTOR FAILS TO REBUT DEFAULT. ACKNOWLEDGMENTS SEAL LIABILITY. CIRP ADMISSION UPHELD.**brief about the decision:****Facts of the case**

SBI filed a Section 7 application against the Corporate Debtor after the loan account was classified as NPA. The bank relied on NeSL records, loan documents, recall notices, and several acknowledgments including the Board Resolution of April 2020 and OTS proposals. The Corporate Debtor opposed the petition, alleging manipulation of accounts, pendency of DRT proceedings, and disputes regarding receivables. The NCLT admitted the CIRP. The debtor appealed before the NCLAT.

ISSUES

The key issues before the NCLAT were whether SBI had successfully established a clear, undisputed financial debt and default on the date of filing the Section 7 application, and whether the Corporate Debtor's allegations of fraud, collusion, or improper sale of secured assets could in any manner prevent admission under the IBC. The Tribunal also examined whether the pendency of DRT proceedings, counterclaims, or other commercial disputes raised by the debtor could bar or delay the Section 7 process. Finally, the NCLAT considered whether the Corporate Debtor's own acknowledgments of liability including Board Resolutions and OTS proposals strengthened SBI's claim and justified the NCLT's decision to admit the CIRP.

DECISION

The NCLAT dismissed the appeal and upheld the NCLT's admission order.

Key Findings:

- Debt & Default Established: SBI's NeSL entries, loan agreements, NPA classification, and recall notices were complete and reliable; the debtor produced no rebuttal.
- DRT Proceedings Not a Bar: Disputes or counterclaims before the DRT cannot stall IBC proceedings, as IBC has overriding effect.
- Acknowledgments Strengthen Liability: The Board Resolution of April 2020 and multiple OTS proposals proved clear admission of debt.
- Interim Stay Irrelevant to Admission: The earlier NCLAT stay (granted during settlement discussions) did not affect the validity of the admission; only the stay period will be excluded from CIRP timelines.

TRANSPARENCY IN GOVERNANCE AND THE ROLE OF THE COMPANY SECRETARY

TRANSPARENCY

1. What is transparency?

Transparency in simple term means that an operation is done in such a way that it is easy for anyone to see as to what actions are performed. Very simple illustration on transparency could be a cashier in any organization while carrying out the cash verification for audit purpose, placing the different denomination of rupees, change in such a way as to ensure the verifier (generally statutory or internal auditor) to verify the amount displaced demonstrates transparency. We can further elaborate transparency that

- (i) transparency is the core principle of good governance
- (ii) sharing information and acting in an open manner
- (iii) free access to information is a key element in promoting transparency
- (iv) information must be timely, relevant, accurate and complete for it to be used effectively
- (v) transparency is also considered essential for controlling corruption in public life and
- (vi) transparency and accountability in Government are mutually reinforcing.

Corporate Transparency

1.1 Related question then arises, as what is corporate transparency?

Corporate transparency is nothing but removing all barriers and facilitating of free and easy access of the corporate information to the public who are interested in associating with the corporate in any way as a stakeholder such as creditor, extends to regulators and public as well.

Governance and Corporate Governance

2. The third question then comes in our mind as to what is governance?

Governance has been defined by many and we could summarize that governance is the set of policies, roles and responsibilities and also the processes that control how an organizations has unique needs and goals and targets that influence the organization's approach to governance. What governance and rather good governance can achieve would be the next question. Any organization having a good governance plan can streamline the deployment of its resources to the fullest rather optimum utilization, ensure organization's systems secured and always ensuring compliant company of all applicable regulations and finally ensuring it continuously add value to stakeholders' wealth i.e. best return on investment.

* The first and only Indian to win the runner up award of Company Secretary of the year 2007 from the Institute of Chartered Secretaries and Administrators (ICSA) of London – UK

Taking reference from Cadbury Committee report, Corporate governance could be summarized that it is the system of rules, practices and processes by which a company is directed and controlled and corporate governance essentially involves balancing the interests of all the stakeholders in a company – i.e. management, customers, suppliers, financiers, government and the community. Since corporate governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

Transparency in Governance

3. Having understood the concept of transparency and as well as governance, let now try to relate to these two concepts and examine the concept of transparency in corporate governance.

As seen in the earlier para, transparency means that decisions taken and their enforcement are done in a manner that follows rules and regulations and also that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. Obviously, needless to mention that that enough information is provided by corporate to all its stakeholders, regulators and as well to public and information provided by the corporate is also easily understandable in form as well in media.

Disclosure

4. The next question comes as to what information is to be provided rather disclosed having regard to transparency in governance by the corporate. We shall try to examine this aspect in the further paragraphs. Person Responsible for Disclosure.

5. In every corporate (exception small one) they require to appoint a company secretary under the Companies Act and he is also a compliance officer under Listing Obligations and Disclosure Requirements (LODR). By and large, with the directions, guidance and assistance of the board members, the company secretary/compliance officer ensures that all the disclosure requirements are complied with transparency requirement is met under the Companies Act and as well under the market regulations and as well in respect to all other applicable laws to the organization.

It is also important to note that the company secretaries are termed to be "key managerial personnel" in the Companies Act 2013 and also there is a move to redesignate the title of company secretary to governance professional.

Answer to Our Question - What is Transparency in Governance

5.1 If we could look into the role and responsibilities of the company secretary / governance professional as what he could efficiently discharge in his function, we would have the required answer to our question a

what is transparency in governance.

Before, we look into the role and responsibilities of the company secretary; let us also look into the initiatives taken by the government on transparency.

Government Initiatives on Transparency

6. Major initiatives taken by the Government of India in bring out the transparency in the public domain is the enactment of various acts and its implementation such as

- (a) Right to Information Act
- (b) Public Services Bill
- (c) Citizens Charters
- (d) e-Governance in many government departments such as
 - i. income tax department
 - ii. ministry of corporate affairs
 - iii. customs and central excise
- (e) e-Bhoomi (management of land records)
- (f) e-Choupal and
- (g) e-procurement

Useful websites brought out by Government for the use of public at large

6.1 Few websites illustrated below are the one brought out by government of India which is very useful in the e-governance era with transparency and disclosures

Sr. no	Subject	Website
1	Company details	http://www.mca.gov.in/MCA21/
2	Court judgments	http://www.india.gov.in/howdo/o/otherservice_details.php?service=24
3	Apply - PAN card	http://www.india.gov.in/howdo/o/otherservice_details.php?service=15
4	File IT - return	https://incometaxindiaefiling.gov.in/
5	Apply for TAN card	http://www.india.gov.in/howdo/o/otherservice_details.php?service=3
6	Electrol roll inclusion	http://www.india.gov.in/howdo/o/howdoi.php?service=10
7	Driving licence	http://www.india.gov.in/howdo/o/howdoi.php?service=6
8	Vehicles registration	http://www.india.gov.in/howdo/howdoi.php?service=13
9	Register	9 - land / property http://www.india.gov.in/howdo/howdoi.php?service=9

10	Apply for Passport	http://www.india.gov.in/howdo/otherservice_details.php?service=2
11	Apply ration card	http://www.india.gov.in/howdo/howdoi.php?service=7
12	Air ticket online	http://www.india.gov.in/howdo/otherservice_details.php?service=4
13	Train ticket online	http://www.india.gov.in/howdo/otherservice_details.php?service=5

Latest Regulatory Changes for Transparent Disclosures

7. The Companies Act 2013 and the rules notified there under and as well the amendments and modifications brought out in the Listing Requirements and Disclosure Regulations by the market regulators, seek to enhance, more and transparent disclosures from the corporate.

Requirement Under the Companies Act 2013

7.1 The Companies Act 2013 read along with the Companies Act, 2013 and the Companies (Management and Administration) Rules 2014 has enormously increased the responsibilities of the board of directors and the act has also introduced many new concepts for enhancing the governance in our country in par with the world best practices and standards. Further, the Companies Act 2013 strongly emphasizes on strong internal financial control measures coupled with risk management oversight by the board of directors and enhanced disclosure requirements.

Listing Obligation and Disclosure Requirements (Sebi Regulations)

7.2 Security Exchange Board of India, with the objective of bringing the basic framework governing the regime of listed companies in line with the Companies Act, 2013 and harmonizing the various provisions between the Companies Act and the listing agreement and at the same time compiling all the mandates of varied SEBI Regulations/Circulars issued so far,

governing equity as well as debt segments of capital market under the ambit of a single document, has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations (LODR or Listing Regulations) on September 02, 2015. Of course, the LODR aims at strengthening the better transparency and disclosures from the companies in the best interest of the investors.

Disclose Requirement in Board of Directors Report

7.3 The annual report of the company is nothing but the progress report of the company during past one year providing all the information relating to the company financial, profit and its appropriation, growth / target achievement, information relating to directors, technology absorption, foreign exchange earnings and outgo, opportunities and threats faced by the company and many more relevant information. The board of director's report now needs to have additional disclosure requirements in order to provide better and more information about the company coupled with the Directors' Responsibility Statement. For the first time in the Companies Act 2013, the concept of independent directors has been introduced and the independent directors have been entrusted with new responsibilities to make their role more objective and purposeful.

7.4 Important Contents of board of directors report

(a) Annual return extract

Extract of annual Return in the prescribed form MGT 9 is required to be disclosed under section 92 of the Companies Act 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 – chapter VII. The annual report needs to spell out the details of principal business activities of the company, particulars of holding, subsidiary and associate companies, details of promoters, details of directors, details of key management personnel, meetings of board and its various committees along with attendance details, remuneration of directors and remuneration of key management personnel and penalties or punishment imposed on director

(b) Declaration of Independence by Independent directors

Independent Directors are required to give a declaration of their independency stating that they director meet the criteria provided under section 149(6).

(c) Directors responsibility statement as spelled out in sub section (5) of section 134 of the Companies Act 2013

(d) Company's policy on directors' appointment and remuneration Board report also need to disclose the criteria for determining qualifications/ independence of a director & matters covered as per sub-section (3) of section 178 read along with rule 6 of the

Companies (Meetings of Board & its Power) Rules, 2014 - Chapter XII by all the listed companies, public companies with paid share capital of Rs 10 crores or more, public company with turnover of Rs 100 crores or more, public company with outstanding loans, debts and deposits of greater than Rs 50 crores as on the date of last audited financial statement

(e) Details of board meetings

Information relating to number of board meetings held, attendance of directors etc

(f) Annual evaluation of directors

Disclosure called for on the annual evaluation of directors for all listed companies and specified public companies, indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual directors

(g) Disclosure relating to specified policies of the company

- (a) Board report needs to disclose the corporate social responsibility of the company and also the initiatives taken during the year under review and if the money is not spent on corporate social responsibility, the reasons for not spending the money
- (b) Company also needs to disclose the strategic risk management policy in place in the company including identification of elements of risk which in the opinion of the Board may threaten the existence of the Company and the development and implementation of the strategic risk management policy

(h) Disclosure relating to loans, guarantees or investments

As required under section 186 of the Companies Act 2013, the board needs to disclose the particulars of loans, guarantees and investments made by the company

(i) Related Party Transaction

Particulars of related party transactions to be disclosed in the board report referred in sub-section (1) of section 188 of the Companies Act 2013 along with justification for entering such contract/ arrangement

(j) Explanations for comments in audit reports

1. Board report has to provide necessary explanations for qualification, reservation or adverse remark made by statutory auditors in their auditor report to the members of the company
2. In companies where secretary audit is mandatory, the board has to provide necessary explanations for qualification, reservation or adverse remark made by practicing company secretary (secretarial audit report is mandatory in listed companies and for other public company having a paid-up share capital Rs 50 crores or more or turnover of Rs 250 crores or more as per notified rules)

(k) Additional disclosures to be made by all listed companies

The listed companies need to disclose further additional disclosures on the managerial remuneration under the Companies Act 2013 under sub-section (12) of section 197 read with rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 - Chapter XIII, the ratio of remuneration of each director to the median remuneration of the employees, % increase in remuneration of each Director, KMP and of % increase in median remuneration of employees

- Explanation of relationship between average increase in remuneration & Company performance, Comparison of remuneration of each KMP against performance of company
- Variation in market cap/ net worth of company , Justification of increase in managerial remuneration with that of increase in remuneration of other employees
- Key parameters for any variable remuneration of directors
- Ratio of remuneration of highest paid director to other employees who gets remuneration more than highest paid director

(l) Further disclosures

The board report would also disclose the state of company affairs, reserves, dividends to be paid, material changes in financial positions between the end of the financial year and the date of the report, energy conservation, foreign exchange earnings and outgo, employees relation, internal control system prevalent in the company, details of cost auditors, disclosure of various posting at the company's website such as policies etc., and other relevant details

Voluntary Disclosures (Though Not Mandatory)

i.) Reports of various committees of the board - Though not mandatory, the company could also disclose and publish the reports of its committees, indicating the work done by each of the committee during the year under review such as the report of the Audit Committee, Nomination and Remuneration committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee etc. The stakeholders and intending investors would be much delighted to go through these reports and would be greatly useful to them.

ii.) Though the Companies Act speaks about two main policies (i.e. one of risk management policy and CSR policy) of disclosures about which we saw the provisions under serial number 6.4 (g), 1(i) Code of Conduct and Ethics policy, (ii) Whistleblower Policy, (iii) Integrated Management System Policy, (iv) Strategic Risk Management Policy, (v) Dissemination of Information to the Market policy, (vi) Quality policy. (vii) Safety, Health and Environmental policy etc.

iii.) Listed companies could also include in their corporate governance report, their remuneration policy, dividend policy, insider dealing code policy, brief profile of each of the board members etc.

amongst other disclosures iv. The companies could further include, the various vital policies such as (i) Corporate Social Responsibility Policy, (ii) Business Code of Conduct and Ethics Policy, (iii) Whistleblower Policy, (iv) Quality Policy, (v) Health, Safety and Environment Policy, (vi) Strategic Risk Management Policy and (vii) Dissemination of Information to the Market Policy and such other company's policies.

Role and Responsibilities Discharged by Company Secretary / Governance Professional

9. We could enumerate the following major role amongst others discharged by the company secretary / governance professional

Sr.No	Area	brief details
1	Increasing burden of ever changing regulations	In one hand the stakeholders are much concerned about the conduct of the affairs of the company and on other hand ever changing regulations demand more and more stringent compliance requirement which the company secretary needs to cope up with.
2	Compliance with provisions of all applicable laws	As per Companies Act 2013 and as well under Listing Obligations and Disclosure Requirements companies need to ensure compliance of all other laws applicable to the company. Obviously this is to be ensured by the company secretary as a compliance officer.
3	Mandatory requirement of secretarial standard	Secretarial standards issued by the Institute of Company Secretaries of India which are mandatory as of now for companies by the Companies Act 2013 – Disclosure to this effect would call for.

4	Regulation 34(2)(f) of Listing Obligation and Disclosure Requirements (Business Reporting Responsibility)	Regulation 34(2)(f) of Listing Obligation and Disclosure Requirements demands various disclosure requirements in the form of Business Responsibility Reporting and obviously this clause has also reporting on corporate social responsibility (CSR) which is yet again one of the provision in Companies Act 2013 for profit making companies to spent the specified percentage of 2% on CSR activities and make disclosures
5	Corporate governance	Responsibility for developing and implementing processes to promote and sustain good corporate governance is the role of company secretaries in the light of various governance measure undertaken by the regulators such as better board room practices coupled with global best governance practices, board effectiveness etc. Since secretarial standards are made mandatory in Companies Act 2013, the governance would be taken to a greater height and obviously the company secretary turned corporate professional would be much instrumental for bringing about the change.
6	Statutory responsibilities	Principally, company secretary not only required to ensure that the company complies with company law, but also ensures compliance of all laws applicable in a company.
7	Disclosure and reporting	As days go by, there has been increased emphasis in the quality of corporate governance reporting and disclosure requirements and the same calls for increased transparency in reporting.

		<p>he company secretary usually has responsibility for drafting the corporate governance section, management discussions and analysis, director's report of the company's annual report and ensuring that all reports are made available to shareholders according to the relevant regulatory or listing requirements in place</p>
8	<p>Communication with stakeholders</p>	<p>Company secretary has an important role in communicating with all the external stakeholders, such as shareholders, investors, regulators and is often the first point of contact for queries. The company secretary should work closely with the chairman, managing director and the board members to ensure that effective shareholder relations are maintained at all times.</p>
9	<p>Other responsibilities</p>	<p>(b) Board related matters (c) Director's induction, meeting of minutes, liaison, communication etc. d) Duties relating to Directors (e) IPR related duties (f) Monitoring aspects (g) Employee related (h) Shareholders related (i)~Others such as Accounts and finance Taxation Trade practices Environmental issues Occupational health and safety and employment law in general Property management Investment monitoring Document retention and management (good idea to have the compactors for document maintenance in an orderly manner) - Maintenance of corporate structure, including subsidiaries and associated administrations</p>

<p style="text-align: center;">10</p>	<p style="text-align: center;">Disclosure</p>	<p>Development, implementation, communication and maintenance of governance, risk and compliance Policies, process and procedures. (One could think of documenting following policies and disclosing the same in the annual report of the Company.)</p> <ul style="list-style-type: none"> (i) Corporate Social Responsibility Policy (ii) Code of Business Conduct and Ethics (iii) Whistleblower Policy (iv) Integrated Management System Policy (v) Strategic Risk Management Policy (vi) Dissemination of Information to the Market (vii) Safety, Health and Environmental Policy Quality Policy (viii) Insider Trading Code (ix) Such other policies adopted by the company <ul style="list-style-type: none"> - Transparent disclosures relating to various - committees (One could ensure publishing the - following reports in the annual report of the company. - (i) Nomination and Remuneration committee report (ii) Stakeholders & Relationship Committee report (iii) Audit committee report etc.
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In Summary

9.1 We could summarize in saying that the company is required to make various disclosures in such a way that the readers could really and easily understand and as what is going on in the company and such disclosures could be either periodical or event based.

Periodical disclosures

9.2 Periodical disclosures could be such as monthly, quarterly, half yearly and annually as prescribed by the regulators. For example - as prescribed by Listing Obligations and Disclosure Requiremen

the quarterly financial reports, quarterly corporate governance compliance report and share holding pattern report and annual corporate governance report etc. At the year end, bringing out a comprehensive annual report consisting of various disclosures, as discussed in elsewhere in this article, along with director's report with required annexure as prescribed by the Companies Act 2013 and also report containing "Management Discussions Analysis report" and "Corporate Governance Report.

Event based disclosures

9.3 These could be whenever the company launches any scheme of arrangement, amalgamation, merger, takeover, buy back any other similar events, necessary disclosures to that effect and as well whenever any material change in the general character or nature of the company's business, change in directorship due to death, resignation, retirement, removal or otherwise, change in auditors and any other event which is likely to affect the decision making process of the stakeholders.

Conclusion

10. The company secretary/ corporate professional can make a significant impact on the level and quality of the organization's corporate governance culture and play a pivotal role in assisting the board members to achieve the mission, vision and strategy set for the organization and ensuring to achieve excellence in corporate governance practices coupled with transparent disclosures. Needless to mention that the activities of the company secretary / corporate professional encompass the legal and regulatory duties of compliance and obligation with transparent disclosures. No doubt, the Companies Act 2013 would also play its part in taking the governance to the excellence level of its highest order since company secretaries are now recognized as Key Managerial Personnel (KMP) – also they are recognized as Expert which is a definite indication that the profession is moving towards the corporate professionalism. This would definitely take the corporate governance to its excellence level in the organizations with more transparent disclosures. Days to come, the company secretaries / corporate professionals has a great challenge and delightful opportunity to bring about a differentiating factor in achieving excellence in corporate governance in ensuring compliance with more and more transparent disclosures which is very much demanded today and expected by the stakeholders.

IMPLEMENTATION OF INDIA'S FOUR LABOUR CODES

Background

The Government of India has formally implemented, with effect from 21 November 2025, the long-awaited Four Labour Codes, marking a transformative shift in India's labour law framework. These Codes consolidate 29 existing central labour legislations into a simplified, modern, and unified regime aimed at balancing worker welfare, regulatory clarity, and ease of doing business. This reform represents one of the most comprehensive overhauls of labour laws since Independence.

The Four Labour Codes comprise:

- Code on Wages, 2019
- Industrial Relations Code, 2020
- Code on Social Security, 2020
- Occupational Safety, Health and Working Conditions Code, 2020

Key Developments and Highlights

The implementation introduces several far-reaching changes impacting employers and workers across sectors:

- Universal Social Security Coverage:

All workers, including gig workers and platform workers, are now brought within the social security net, ensuring access to Provident Fund, ESIC, insurance, and other welfare benefits.

- Reduced Gratuity Eligibility Period:

Gratuity will now be payable after one year of continuous service, replacing the earlier threshold of five years.

- Expanded ESIC Coverage:

ESIC benefits are extended nationwide. While coverage remains voluntary for establishments employing fewer than ten workers, it becomes mandatory for any establishment engaging even one worker in hazardous processes.

- Rationalised Working Hours:

Daily working hours may extend up to 12 hours, subject to an overall cap of 48 hours per week, allowing greater operational flexibility while protecting worker welfare.

- Strengthened Workplace Safety Norms:

The OSHWC Code standardises safety regulations, mandates free annual health check-ups, and permits women to work night shifts, subject to prescribed safeguards and protective measures.

- Enhanced Employment Formalisation: Mandatory written appointment letters, improved overtime provisions, and gender-neutral wage parity reinforce transparency, equity, and accountability in employment relationships.

Conclusion

The implementation of the Four Labour Codes signals a decisive move towards a uniform, inclusive, and future-ready labour ecosystem. By extending protections to new-age workforces, rationalising compliance requirements, and strengthening workplace safeguards, the reforms aim to foster sustainable employment growth while safeguarding workers' rights. For employers, this transition underscores the need for timely compliance readiness, policy alignment, and workforce sensitisation to navigate the new regulatory landscape effectively.

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