

***THE MADRAS CHAMBER OF COMMERCE
AND INDUSTRY***

***COMPANY LAW AND CORPORATE MATTERS
COMMITTEE***

MONTHLY NEWSLETTER

OCTOBER 2025

ISSUE NO 3

ISSUED ON 01.11.2025

ARE YOU AWARE

Key Provisions relating to Nomination under the Banking Laws (Amendment) Act, 2025 to come into effect from 1st November 2025

Provisions aim to give depositors the flexibility to make nominations as per their preference, allow Multiple Nominations (up to 4), ensuring uniformity, transparency, and efficiency in claim settlement Banking Laws (Amendment) Act, 2025 envisions to strengthen governance standards, enhance depositor and investor protection, improve audit quality in PSBs, promote customer convenience, among others

Posted On: 23 OCT 2025 12:06PM by PIB Delhi

The Key Provisions relating to Nomination under the Banking Laws (Amendment) Act, 2025 will come into effect from 1st November 2025. The *Banking Laws (Amendment) Act, 2025* was notified on 15th April 2025 (Gazette Notification link attached below). It contains a total of 19 amendments across five legislations—the *Reserve Bank of India Act, 1934*, *Banking Regulation Act, 1949*, *State Bank of India Act, 1955* and *Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and 1980*.

The notification said that the provisions of the *Banking Laws (Amendment) Act, 2025* “shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint” and different dates may be appointed for different provisions of the Act.

Accordingly, the Central Government has notified that the provisions contained in **Sections 10, 11, 12 and 13** of the *Banking Laws (Amendment) Act, 2025* shall come into force with effect from **1st November 2025**. The **Gazette Notification** to this effect is available at the link below.

The provisions now being brought into effect from 1st November 2025 through Sections 10, 11, 12 and 13 relate to nomination facilities in respect of deposit accounts, articles kept in safe custody, and the contents of safety lockers maintained with banks.

The key features of these provisions are as follows:

- i. **Multiple Nominations:** Customers may nominate up to four persons, either simultaneously or successively, thereby simplifying claim settlement for depositors and their nominees.
- ii. **Nomination for Deposit Accounts:** Depositors may opt for either simultaneous or successive nominations, as per their preference.
- iii. **Nomination for Articles in Safe Custody and Safety Lockers:** For such facilities, only successive nominations are permitted.
- iv. **Simultaneous Nomination:** Depositors may nominate up to four persons and specify the share or percentage of entitlement for each nominee, ensuring that the total equals 100 percent and enabling transparent distribution amongst all nominees.
- v. **Successive Nomination:** Individuals maintaining deposits, articles in safe custody, or lockers may specify up to four nominees, where the next nominee becomes operative only upon the death of the nominee placed higher, ensuring continuity in settlement and clarity of succession.

The implementation of these provisions will give depositors the flexibility to make nominations as per their preference, while ensuring uniformity, transparency, and efficiency in claim settlement across the banking system.

The Banking Companies (Nomination) Rules, 2025, detailing the procedure and prescribed forms for making, cancelling, or specifying multiple nominations, will be published in due course to operationalise these provisions uniformly across all banks.

The Central Government had earlier appointed **1st August 2025** as the date on which certain provisions of the said Amendment Act, namely **Sections 3, 4, 5, 15, 16, 17, 18, 19 and 20**, came into force vide Gazette Notification S.O. 3494(E) dated 29th July 2025. The **Gazette Notification** to this effect is available at the link below.

The Banking Laws (Amendment) Act, 2025 aims, *inter-alia*, to strengthen governance standards in the banking sector, ensure uniformity in reporting by banks to the Reserve Bank of India, enhance depositor and investor protection, improve audit quality in public sector banks, and promote customer convenience through improved nomination facilities. The Act also provides for rationalisation of the tenure of directors, other than the Chairman and whole-time directors, in co-operative banks.

The Indian government is likely to amend the Chartered Accountants Act, 1949, to ease advertising restrictions for CAs and their firms. This move aims to enable domestic firms to grow and compete with international players in the global auditing and consultancy market. The ICAI is also considering revising its Code of Ethics to facilitate this.

Courtesy: ET PRIME

CIRCULARS - MASTER CIRCULARS ISSUED BY SEBI DURING THE MONTH – OCTOBER 2025

Date	Title
Oct 30, 2025	<i>Implementation of eligibility criteria for derivatives on existing Non-Benchmark Indices.</i>
Oct 30, 2025	<i>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”)</i>
Oct 30, 2025	<i>Ease of doing business measures - Enabling Investment Advisers (“IAs”) to provide second opinion to clients on assets under pre-existing distribution arrangement</i>
Oct 30, 2025	<i>Further extension of timeline for mandatory implementation of systems and processes by Qualified Stock Brokers (QSBs) with respect to T+0 settlement cycle</i>
Oct 24, 2025	<i>Transfer of portfolios of clients (PMS business) by Portfolio Managers.</i>
Oct 15, 2025	<i>Relaxation in timeline for disclosure of allocation methodology by Angel Funds</i>
Oct 13, 2025	<i>Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions</i>
Oct 08, 2025	<i>Review of Block Deal Framework</i>
Date	Title
Oct 15, 2025	<i>Master Circular</i> for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper

CONSULTATION PAPERS ISSUED BY SEBI FOR COMMENTS FROM PUBLIC
DURING THE MONTH OCTOBER 2025

Date	Title
Oct 28, 2025	Consultation paper on comprehensive review of SEBI (Mutual Funds) Regulations, 1996.
Oct 27, 2025	Consultation paper for permitting debt issuers to offer incentives in public issues to certain category of investors.
Oct 27, 2025	Consultation paper on Relaxation in the threshold for identification of High Value Debt Listed Entities (HVDLEs) and measures facilitating ease of doing measures for HVDLE including provisions relating to Related Party Transactions
Oct 24, 2025	Consultation paper for review of LODR Regulations - Clarification regarding the timeline for transfer of unclaimed amount by entity having listed non-convertible securities.
Oct 23, 2025	Circular on Relaxation of India geo-tagging for NRI clients re-KYCKYC modification through digital on-boarding video client Identification process (V-CIP)
Oct 23, 2025	Consultation paper on Standardization of process for Opening of Mutual Fund Folios and Execution of First Investment
Oct 17, 2025	Consultation paper on proposed amendment to certain provisions of SEBI (LODR) Regulations, 2015 to facilitate transfer of securities transferred prior to April 1, 2019 and simplify the process of dematerialization of shares.
Oct 08, 2025	Consultation Paper on Measures for ease of doing business on Administration of Exchanges

CIRCULARS ISSUED BY MINISTRY OF CORPORATE AFFAIRS – OCTOBER 2025

General Circular No. 05/2025 | Dated: – 15th October, 2025

F. No. 8/4/2018_CL-I(P) Government of India Ministry of Corporate Affairs 5th Floor, 'A' Wing, Shastri Bhawan, Dr. R.P. Road, New Delhi: 110001

To,

The Director General of Corporate Affairs,
All Regional Directors,
All Registrars of Companies,
All Stakeholders.

Subject:

Extension of time for filing e-form DIR-3-KYC and web-form DIR-3-KYC-WEB without filing fee upto 31st October, 2025 -reg.

Sir/Madam,

In continuation to this Ministry's General Circular No. 04/2025 dated 29.09.2025, it has been decided to allow filing of e-form DIR-3-KYC and web-form DIR-3-KYC-WEB **without filing fee up to 31st October, 2025.**

This issue with the approval of Competent Authority

General Circular No. 06/2025 | Dated: 17.10.2025

To,
The DGC&A,
All Regional Directors,
All Registrar of Companies,
All Stakeholders.

Subject: Relaxation of additional fees and extension of time for filing of Financial Statements and Annual Returns under the Companies Act, 2013 – reg.

Sir/Madam,

The Ministry has revised the e-Forms MGT-7, MGT-7A, AOC-4, AOC-4 CFS, AOC-4 NBFC (Ind AS), AOC-4 CFS NBFC (Ind AS), AOC-4 (XBRL) for annual filings, which were deployed on the MCA-21 Version 3 portal recently.

2. In view of the deployment of the new e-Forms, and considering that companies may require some time to get familiarized with the filing process, and keeping in view the requests received from various stakeholders, it has been decided that companies **will be allowed to complete their annual filings pertaining to FY 2024-25 till 31st December, 2025 without payment of additional fees.**

3. However, it is hereby clarified that this General Circular **shall not be construed as conferring any extension of statutory time for holding of AGMs by the companies** under the Companies Act, 2013 (the Act) and the companies which have not adhered to the relevant statutory timelines shall continue to be liable to legal action under the appropriate provisions of the Act.

4. Any filings made subsequent to the currency of this General Circular would attract payment of all fees, including additional fees, as provided in the Companies (Registration Offices and Fees) Rules, 2014, from the date when such filings were actually due under the Act.

5. This issues with the approval of the Competent Authority.

General Circular No. 07/2025

Dated: 27.10.2025

F. No. 17/52/2020-CL-V Government of India

Ministry of Corporate Affairs
5th Floor, 'A' Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi-1.
To,

The DGC&A; The Cost Audit Branch;
All Regional Directors;
All Registrar of Companies;,
All Stakeholders.

Subject: Relaxation of additional fees in filing of CRA-4 (Cost Audit Report in XBRL format)-regarding.

1. Keeping in view the requests received from various stakeholders seeking extension of time for filing Cost Audit Report for the financial year ended on 31.03.2025 on account of deployment of new form on the MCA V3 portal, it has been decided that any filing of CRA-4 (Cost Audit Report in XBRL format) for the said Financial Year made up to 31.12.2025 would not attract payment of any additional fees.

2. Any filings made subsequent to the currency of this General Circular would attract payment of all fees, including additional fees, as provided in the Companies (Registration Offices and Fees) Rules, 2014, from the date when such filings were actually due under Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014.

3. This issues with the approval of the competent authority.

NOTIFICATIONS ISSUED BY MINISTRY OF CORPORATE AFFAIRS – OCTOBER 2025

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION New Delhi, the 1st October, 2025

G.S.R. 733(E).— In exercise of the powers conferred by sub-sections (1), (2), (3), (4), (8), (9), (10) and (11) of section 125 and sub-section (6) of section 124 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, namely:-

1 These rules may be called the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2025.

2. They shall come into force with effect from **6th October, 2025**.

In the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, for the Form No. IEPF-5, the following Form shall be substituted, namely:-

(Please see the notification for the format)

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION

New Delhi, the 23rd October, 2025

S.O. 4852(E).— In exercise of the powers conferred by sub-section (1) of section 396 of the Companies Act, 2013 (18 of 2013) and in supersession of the notification of the Ministry of Corporate Affairs, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 832 (E), dated the 3rd November, 2015, except as respects things done or omitted to be done before such supersession, the Central Government hereby establishes, the following Regional Directors in the Ministry of Corporate Affairs specified in column (2) of the Table below to discharge the functions conferred upon them by the said Act or delegated to them by the Central Government under said Act for the respective jurisdiction as indicated in the corresponding column (3) of the Table below, namely:-

Serial number	Office and location	Jurisdiction
(1)	(2)	(3)
1.	Regional Director, Northern Region Directorate I, Headquarter at New Delhi.	State of Uttar Pradesh and National Capital Territory of Delhi.
2.	Regional Director, Northern Region Directorate II, Headquarter at Chandigarh.	States of Haryana, Himachal Pradesh, Punjab, Uttarakhand and Union Territories of Chandigarh, Ladakh, Jammu and Kashmir.

3.	<i>Regional Director, North-Western Region Directorate, Headquarter at Ahmedabad.</i>	<i>States of Rajasthan, Gujarat, Madhya Pradesh and Union Territory of Dadra and Nagar Haveli.</i>
4.	<i>Regional Director, Western Region Directorate I, Headquarter at Mumbai.</i>	<i>State of Goa, Union Territory of Daman and Diu and the Districts of Mumbai and Mumbai Suburban.</i>
5.	<i>Regional Director, Western Region Directorate II, Headquarter at Navi Mumbai.</i>	<i>All districts of Maharashtra other than Mumbai and Mumbai Suburban.</i>
6.	<i>Regional Director, Southern Region Directorate, Headquarter at Chennai.</i>	<i>State of Tamil Nadu, Union Territory of Puducherry and Union Territory of Andaman and Nicobar Islands.</i>
7.	<i>Regional Director, South-Western Region Directorate, Headquarter at Bangalore.</i>	<i>States of Karnataka, Kerala and Union Territory of Lakshadweep.</i>
8.	<i>Regional Director, Eastern Region Directorate, Headquarter at Kolkata.</i>	<i>States of West Bengal, Bihar and Jharkhand.</i>
9.	<i>Regional Director, Northeastern Region Directorate, Headquarter at Guwahati.</i>	<i>States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura.</i>
10.	<i>Regional Director, Southeastern Region Directorate, Headquarter at Hyderabad.</i>	<i>States of Andhra Pradesh, Chhattisgarh, Odisha and Telangana.</i>

2. The Regional Directors specified in column (2) of the Table shall continue to exercise the functions conferred upon them under the Companies Act, 1956 or delegated under that Act in respect of provisions of that Act, which are still in force.

3. This notification shall come into force with effect from 1st January, 2026.

MINISTRY OF CORPORATE AFFAIRS
NOTIFICATION
New Delhi, the 23rd October, 2025

S.O. 4850(E).—In exercise of the powers conferred by sub-sections (1) and (2) of section 396 of the Companies Act, 2013 (18 of 2013), the Central Government hereby establishes following Registrars of Companies in the Ministry of Corporate Affairs mentioned in column (2) of the Table below having territorial jurisdiction as specified in the corresponding column (3) of the Table below for the purpose of registration of Companies and discharging the functions under the said Act, namely:-

Serial number	Office and location	Jurisdiction
(1)	(2)	(3)
1.	Registrar of Companies, National Capital Territory of Delhi-I, at South Delhi.	Districts of South Delhi, Southwest Delhi, New Delhi, Southeast Delhi and East Delhi.

2.	Registrar of Companies, National Capital Territory of Delhi-II, at Central Delhi.	Districts of Central Delhi, West Delhi, North Delhi, Northwest Delhi, Northeast Delhi and Shahdara.
3.	Registrar of Companies, Haryana, at Chandigarh.	State of Haryana.
4.	Registrar of Companies, Uttar Pradesh-I, at Kanpur.	Districts of Ambedkar Nagar, Amethi, Amroha, Auraiya, Ayodhya, Azamgarh, Badaun, Bahraich, Ballia, Balarampur, Banda, Barabanki, Bareilly, Basti, Bhadohi, Bijnor, Chandauli, Chitrakoot, Deoria, Etawah, Farrukhabad, Fatehpur, Ghazipur, Gonda, Gorakhpur, Hamirpur, Hardoi, Jaunpur, Jalaun, Jhansi, Kaushambi, Kannauj, Kanpur Dehat, Kanpur Nagar, Kushinagar, Lakhimpur Kheri, Lalitpur, Lucknow, Maharajganj, Mahoba, Mau, Mirzapur, Moradabad, Pilibhit, Pratapgarh, Prayagraj, Raebareli, Rampur, Sambhal, Sant Kabir Nagar, Shahjahanpur, Shravasti, Siddharth Nagar, Sitapur, Sonbhadra, Sultanpur, Unnao and Varanasi.
5.	Registrar of Companies, Uttar Pradesh-II, at NOIDA.	Districts of Agra, Aligarh, Baghpat, Bulandshahr, Etah, Firozabad, Gautam Buddha Nagar, Ghaziabad, Hapur, Hathras, Kasganj, Mainpuri, Mathura, Meerut, Muzaffarnagar, Saharanpur and Shamli.
6.	Registrar of Companies, Mumbai-I, at Mumbai.	Districts of Mumbai and Mumbai Suburban.
7.	Registrar of Companies, Mumbai-II, at Navi Mumbai.	Districts of Aurangabad, Dhule, Jalgaon, Nandurbar, Nashik, Palghar, Raigad and Thane.
8.	Registrar of Companies at Nagpur.	Districts of Akola, Amravati, Beed, Bhandara, Buldhana, Chandrapur, Gadchiroli, Gondia, Hingoli, Jalna, Latur, Nagpur, Nanded, Osmanabad, Parbani, Wardha, Washim and Yavatmal.
9.	Registrar of Companies, Kolkata-I at Kolkata.	District of Kolkata.
10.	Registrar of Companies, Kolkata-II at Kolkata.	State of West Bengal except the district of Kolkata.

2. This notification shall come into force with effect from 1st January, 2026.

MINISTRY OF CORPORATE AFFAIRS
NOTIFICATION
New Delhi, the 23rd October, 2025

S.O. 4849(E).—In exercise of the powers conferred by sub-sections (1) and (2) of section 68A of the Limited Liability Partnership Act, 2008 (6 of 2009), the Central Government hereby establishes the following Registrars of Companies in the Ministry of Corporate Affairs specified in column (2) of the Table below having territorial jurisdiction as specified in the corresponding column (3) of the Table below for the purpose of registration of Limited Liability Partnerships and discharging the functions under the said Act, namely:-

Serial number	Office and location	Jurisdiction
(1)	(2)	(3)
1.	Registrar of Companies, National Capital Territory of Delhi-I, at South Delhi.	Districts of South Delhi, Southwest Delhi, New Delhi, Southeast Delhi and East Delhi.
2.	Registrar of Companies, National Capital Territory of Delhi-II, at Central Delhi.	Districts of Central Delhi, West Delhi, North Delhi, Northwest Delhi, Northeast Delhi and Shahdara.
3.	Registrar of Companies, Haryana, at Chandigarh.	State of Haryana.
4.	Registrar of Companies, Uttar Pradesh-I, at Kanpur.	Districts of Ambedkar Nagar, Amethi, Amroha, Auraiya, Ayodhya, Azamgarh, Badaun, Bahraich, Ballia, Balarampur, Banda, Barabanki, Bareilly, Basti, Bhadohi, Bijnor, Chandauli, Chitrakoot, Deoria, Etawah, Farrukhabad, Fatehpur, Ghazipur, Gonda, Gorakhpur, Hamirpur, Hardoi, Jaunpur, Jalaun, Jhansi, Kaushambi, Kannauj, Kanpur Dehat, Kanpur Nagar, Kushinagar, Lakhimpur Kheri, Lalitpur, Lucknow, Maharajganj, Mahoba, Mau, Mirzapur, Moradabad, Pilibhit, Pratapgarh, Prayagraj, Raebareli, Rampur, Sambhal, Sant Kabir Nagar, Shahjahanpur, Shravasti, Siddharth Nagar, Sitapur, Sonbhadra, Sultanpur, Unnao and Varanasi.
5.	Registrar of Companies, Uttar Pradesh-II, at NOIDA.	Districts of Agra, Aligarh, Baghpat, Bulandshahr, Etah, Firozabad, Gautam Buddha Nagar, Ghaziabad, Hapur, Hathras, Kasganj, Mainpuri, Mathura, Meerut, Muzaffarnagar, Saharanpur and Shamli.
6.	Registrar of Companies, Mumbai-I, at Mumbai.	Districts of Mumbai and Mumbai Suburban.
7.	Registrar of Companies, Mumbai-II, at Navi Mumbai.	Districts of Aurangabad, Dhule, Jalgaon, Nandurbar, Nashik, Palghar, Raigad and Thane.
8.	Registrar of Companies at Nagpur.	Districts of Akola, Amravati, Beed, Bhandara, Buldhana, Chandrapur, Gadchiroli, Gondia, Hingoli, Jalna, Latur, Nagpur, Nanded, Osmanabad, Parbani, Wardha, Washim and Yavatmal.
9.	Registrar of Companies, Kolkata-I at Kolkata.	District of Kolkata and the state of Sikkim.

10.	Registrar of Companies, Kolkata-II at Kolkata.	State of West Bengal except the district of Kolkata.
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2. This notification shall come into force with effect from 1st January, 2026.

MINISTRY OF CORPORATE AFFAIRS
NOTIFICATION
New Delhi, the 23rd October, 2025

S.O. 4851(E).—In exercise of the powers conferred by sub-section (1) of [section 68A](#) of the Limited Liability Partnership Act, 2008 (6 of 2009), the Central Government hereby establishes the following Regional Directors in the Ministry of Corporate Affairs specified in column (2) of the Table below to discharge the functions conferred upon them by the said Act or delegated to them by the Central Government under the said Act for the respective jurisdiction as specified in the corresponding column (3) of the Table below, namely:-

Serial number	Office and location	Jurisdiction
(1)	(2)	(3)
1.	Regional Director, Northern Region Directorate I, Headquarter at New Delhi.	State of Uttar Pradesh and National Capital Territory of Delhi.
2.	Regional Director, Northern Region Directorate II, Headquarter at Chandigarh.	States of Haryana, Himachal Pradesh, Punjab, Uttarakhand and Union Territories of Chandigarh, Ladakh, Jammu and Kashmir.
3.	Regional Director, North-Western Region Directorate, Headquarter at Ahmedabad.	States of Rajasthan, Gujarat, Madhya Pradesh and Union Territory of Dadra and Nagar Haveli.
4.	Regional Director, Western Region Directorate I, Headquarter at Mumbai.	State of Goa, Union Territory of Daman and Diu and the Districts of Mumbai and Mumbai Suburban.
5.	Regional Director, Western Region Directorate II, Headquarter at Navi Mumbai.	All districts of Maharashtra other than Mumbai and Mumbai Suburban.
6.	Regional Director, Southern Region Directorate, Headquarter at Chennai.	State of Tamil Nadu, Union Territory of Puducherry and Union Territory of Andaman and Nicobar Islands.
7.	Regional Director, South-Western Region Directorate, Headquarter at Bangalore.	States of Karnataka, Kerala and Union Territory of Lakshadweep.
8.	Regional Director, Eastern Region Directorate, Headquarter at Kolkata.	States of West Bengal, Bihar, Jharkhand and Sikkim.

9.	Regional Director, Northeastern Region Directorate, Headquarter at Guwahati.	States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura.
10.	Regional Director, Southeastern Region Directorate, Headquarter at Hyderabad.	States of Andhra Pradesh, Chhattisgarh, Odisha and Telangana.

2. This notification shall come into force with effect from 1st January, 2026.

FACTS FOR USE*

A total number of 29,74,424 companies were registered in the country as on 30th September 2025, of which 66% (19,62,478) companies stand active. There is increase of 0.22% in the total proportion of active companies w.r.t registered companies when compared to August 2025.

Private limited companies account for 96% of the total companies with 39% of the total Paid-up Capital. In comparison, Public Limited companies are smaller in number (4%) but comprise 61% of the total Paid-up Capital.

New Registration of Companies during September 2025 A total of 23,113 companies were registered with a collective Paid-up Capital of Rs. 2,452.85 Crore. Out of the total new registrations, 22,648 companies were registered as Companies Limited by Shares with a Paid-Up Capital of Rs. 2,451.94 Crore, 465 companies were registered as Companies Limited by Guarantee.

CORPORATE FACT*

Tata Steel came in to being in 1907 and held the distinction of being Asia's first integrated steel company

STATISCAL INSIGHTS TILL SEPTEMBER 2025*

Registered Companies	29,74,424
Active Companies	19,62,478
Closed Companies	9,67,017
Dormant Companies	2,542
Companies under Liquidation	10,440
Companies under the process of Striking off	23,739
Companies lying AIPG (Active in Progress)	1
Not available for e-filing (NAEF)	8,207

*Courtesy: Monthly information Bulletin – September 2025 – Government of India, Ministry of Corporate affairs.

NOTIFICATIONS ISSUED BY RESERVE BANK OF INDIA:

- Oct 28, 2025** Reserve Bank of India (Nomination Facility in Deposit Accounts, Safe Deposit Lockers and Articles kept in Safe Custody with the Banks) Directions, 2025
- Oct 24, 2025** Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Amendments to 01 Entry
- Oct 23, 2025** Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Amendments to 01 Entry
- Oct 13, 2025:** Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Seventh Amendment) Regulations, 2025

Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2025
- Oct 09, 2025:** Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Amendment of 02 Entries
- Oct 07, 2025:** Reserve Bank - Integrated Ombudsman Scheme, 2021 (RB-IOS, 2021)
- Oct 03, 2025:** International Trade Settlement in Indian Rupees (INR)

Investment in Corporate Debt Securities by Persons Resident Outside India through Special Rupee Vostro account
- Oct 01, 2025:** Merchanting Trade Transactions (MTT) – Review of time period for outlay of foreign exchange Export Data Processing and Monitoring System (EDPMS) & Import Data Processing and Monitoring System (IDPMS) – reconciliation of export /import entries – Review of Guidelines

ARTICLES – GALORE

**I EXPRESS MY PERSONAL THANKS AS
CHAIRMAN OF THE COMPANY LAW AND
CORPORATE MATTERS COMMITTEE TO THE
MEMBERS WHO HAVE READILY AGREED TO
CONTRIBUTE ARTICLES AND I AM
OVERWHELMED BY THE SUPPORT AND
WOULD BE HAPPY IF EVERYONE
PARTICIPATES AND ENRICH THE KNOWLEDGE
OF ALL THE MEMBERS OF THE COMMITTEE.**

ARTICLE 1:

BUYBACK AS PER COMPANIES ACT 2013

Introduction

The concept of Buyback of Shares stands as a pivotal corporate financial tool, enabling a company to repurchase its own shares from existing shareholders. Governed primarily by Section 68 of the Companies Act, 2013, this strategic maneuver is often utilized to return surplus cash to shareholders, consolidate ownership, improve financial metrics like Earnings Per Share (EPS), and signal confidence in the company's future prospects. While the Act applies broadly, the operational framework and compliance requirements differ significantly for various company types. This article zeroes in on the often less-discussed, yet critically important, provisions and rules, particularly Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014, that govern the buyback process for Unlisted Public Companies and Private Companies.

I – Meaning and Applicability

Meaning of Term Buyback

Pursuant to Section 68(1) of the Companies Act 2013, Buyback is the concept by which a Company purchases its own shares or other specified securities

Meaning of Specified Securities

The term has not been defined under Companies Act 2013. However as per clause 2(n) of SEBI (Buyback of Securities) Regulations, 2018 '**specified securities**' is defined as follows:-

'specified securities' includes employees' stock option or other securities as may be notified by the Central Government from time to time. However the Central Government has not yet notified any security.

Methods in which a Company can Buyback shares or other specified securities

The buyback may be –

- (a) From the existing shareholders or security holders on a proportionate basis
- (b) From the Open Market
- (c) by Purchasing the securities issued to employees of the Company pursuant to a scheme of stock option or sweat equity.

Statutory Conditions and Limits (Section 68)

Check	Requirement	Details
Authorisation	Articles of Association: Must authorize the buyback.	If not, the Articles must be altered by passing a Special Resolution.
Approval	Resolution: Required based on the quantum of buyback.	a) Board Resolution: If buyback is $\leq 10\%$ of the total paid-up equity capital and free reserves. b) Special Resolution (SR): If buyback is $> 10\%$ but $\leq 25\%$ of the aggregate of paid-up capital (equity + preference) and free reserves.
Quantum Limit	Maximum Limit: Buyback must be $\leq 25\%$ of the aggregate of paid-up capital and free reserves.	For equity shares in any financial year, the buyback must be $\leq 25\%$ of the total paid-up equity capital.

Sources of Funds	Buyback must be made out of:	a) Free Reserves; or b) Securities Premium Account; or c) Proceeds of the issue of any shares or other specified securities (not including the proceeds of an earlier issue of the same kind of shares/securities).
Debt-Equity Ratio	Post-Buyback Debt-Equity Ratio: Must not be more than 2:1.	The ratio is calculated as (Secured + Unsecured debts) / (Paid-up Capital + Free Reserves).
Shares Status	Fully Paid-up: Only fully paid-up shares/securities can be bought back.	
Time Limit	Completion Period: Every buyback must be completed within 12 months from the date of passing the Special Resolution or Board Resolution, as the case may be.	
Prohibition	Cooling-Off Period (Subsequent Offer): No offer of buyback can be made within 1 year from the date of closure of the preceding buyback offer.	
No Default	Section 70 Compliance: The company must not have defaulted in:	Repayment of deposits/interest, redemption of debentures/preference shares/interest, payment of dividend, or repayment of any term loan/interest to a bank or financial institution.

Pre-Buyback Procedure and Filings

Step	Action	Form / Compliance
1	Convene Board Meeting	To approve the buyback proposal, fix the price, and approve the notice of the General Meeting (if SR is required).
2	Notice of GM	Issue notice for the General Meeting (if SR is required) with an Explanatory Statement.
3	Pass Resolution	Pass the necessary Board Resolution or Special Resolution at the General Meeting.
4	Filing of Resolution	File the Special Resolution along with Explanatory Statement (and Board Resolution if required) with the ROC. (MGT-14)
5	Declaration of Solvency	The company must file a Declaration of Solvency with the Registrar of Companies (ROC) (SH-9)
6	Letter of Offer	File the draft Letter of Offer with the ROC (SH-8)
7	Dispatch Letter of Offer	Dispatch the Letter of Offer to the shareholders.
8	Offer Period	The buyback offer must remain open. (Minimum 15 days maximum 30 days). In case all shareholders agree, then the offer can be open for less than 15 days.

Post Buyback Procedure and Compliance

Step	Action	Timeline / Compliance
1	Special Bank Account	Open a special bank account immediately upon closure of the offer and deposit the full consideration amount.
2	Verification of Offers	Complete verification of the securities lodged by shareholders.
3	Payment and Return	Make payment to the shareholders whose offer is accepted, and return the share certificates for rejected/balance shares.
4	Extinguishment	Extinguish and physically destroy the shares/securities bought back.
5	CRR Transfer	If the buyback was out of Free Reserves or Securities Premium Account, transfer a sum equal to the nominal value of the shares bought back to the Capital Redemption Reserve (CRR) Account.
6	Maintain Register	Maintain a Register of Shares or other specified securities bought back. (SH-10)

7	Filing of Return	File the Return of Buyback with the ROC (SH-11)
8	Restriction on Further Issue	The company cannot make a further issue of the same kind of shares or securities (except by way of a bonus issue or discharge of subsisting obligations) for six months after the completion of the buyback.
9	RBI Compliance	File form FC-TRS (in case of Foreign shareholder)

Challenges In Buyback Under Companies Act, 2013

Financial and regulatory challenges

- a) **Restrictive financing rules:** A company is prohibited from funding a buyback with the proceeds of an earlier issue of the same kind of shares. This necessitates careful financial planning to ensure funding comes only from specified sources, such as free reserves, the securities premium account, or the proceeds of a new issue of a different kind of shares.
- b) **Adherence to debt-equity ratio:** Following the buyback, the company's debt-to-equity ratio cannot exceed 2:1. This condition can be a major challenge for companies with significant debt, as it restricts the size of the buyback and the amount of capital that can be returned to shareholders.
- c) **Overall buyback limits:** The buyback value is capped at 25% of the aggregate of the company's paid-up capital and free reserves. For a buyback of equity shares in a single financial year, this limit is 25% of the total paid-up equity capital.
- d) **Prohibition on certain funding sources:** Companies cannot use borrowed funds from banks or financial institutions for a buyback, which can limit their financing options.

Procedural challenges

- a) **Approvals:** The level of approval required depends on the size of the buyback:
 - **Board Resolution:** Required for a buyback of 10% or less of the total paid-up equity capital and free reserves.
 - **Special Resolution:** A more demanding process requiring approval from 75% of shareholders is needed for buybacks exceeding 10% and up to 25%.
- b) **Declaration of solvency:** Before a buyback, a company must file a Declaration of Solvency (Form SH-9) with the Registrar of Companies and the SEBI (if listed). This requires an affidavit from at least two directors confirming the company's ability to meet its liabilities for the next year.
- c) **Time limitations:** The buyback process must be completed within one year of passing the resolution. This requires effective management and timely execution.
- d) **Extinguishment of shares:** The shares bought back must be physically destroyed within seven days of completion. This requires proper procedure and verification.
- e) **Restrictions on future issuance:** A company that completes a buyback cannot issue the same kind of shares for six months, except for bonus issues or to meet certain pre-existing obligations (e.g., conversion of warrants or stock options).

Tax and stakeholder challenges

- a) **Shifted tax burden (from October 1, 2024):** A major challenge arises from recent tax amendments that shifted the tax liability for buybacks from the company to the shareholder.
- Previously, companies paid a buyback tax, and the proceeds were tax-exempt for shareholders.
 - Now, the buyback amount received by shareholders is treated as a dividend, taxed at their applicable slab rates.
 - The company-level Buyback Tax (Section 115QA) has been repealed for transactions after October 1, 2024.
- b) **Potential for shareholder dissent:** The tax changes may reduce the attractiveness of buybacks for shareholders, especially high-income individuals, potentially causing dissent.
- c) Some investors and stakeholders may challenge the buyback if they believe the company's funds could be better used for business growth or new investments rather than returning capital.
- d) **Negative signaling:** A buyback can sometimes be perceived as management admitting that it lacks profitable investment opportunities, which may cause concern among growth-focused investors.

Here is a comprehensive breakdown of the **key learning's** and experiences one typically gains from Buyback:

1. In-Depth Regulatory and Compliance Mastery

Section 68, 69, & 70 Expertise: A deep, practical understanding of the core sections of the Companies Act, 2013, and the relevant Rules (the Companies (Share Capital and Debentures) Rules, 2014)

2. Strategic and Financial Acumen

(i) **Capital Structure Optimization:** Experience in analyzing and executing a transaction to achieve specific corporate goals, such as:

- Improving key financial metrics (e.g., Earnings Per Share (EPS), Return on Equity (ROE)).
- Returning surplus cash to shareholders efficiently.
- Adjusting the Debt-Equity mix.

(ii) **Valuation and Pricing:** Understanding the commercial factors and compliance requirements for fixing the maximum buyback price, often involving:

- Coordination with Merchant Bankers (for listed offers).
- Ensuring the price is justified and fair to all shareholders.

(iii) **Cash Flow Management:** Hands-on experience in ring-fencing the buyback funds, opening escrow accounts, and managing the treasury aspect to ensure timely and complete settlement.

3. Procedural and Project Management Skills

- **End-to-End Buyback Execution:** The ability to drive a complex, time-bound project from the initial Board recommendation to the final filing of the Return of Buyback (Form SH-11).
- **Inter-Departmental Coordination:** Effective collaboration with various internal and external stakeholders:
- **Finance/Accounts/Treasury:** For source availability, CRR transfer, audit certificates, and payment management.
- **Depositories/ Registrar & Share Transfer Agent (RTA):** For shareholder verification, dispatch of the Letter of Offer, and settlement.
- **Auditors:** For the critical Auditors' Report and solvency certificate.
- **Documentation and Record Keeping:** Meticulous attention to detail in preparing all statutory documents, maintaining the Register of Buyback (Form SH-10), and ensuring a clean audit trail.

4. Critical Takeaways

- **"No Default" Condition (Section 70):** The critical importance of the company not being in default in the repayment of deposits, redemption of debentures/preference shares, payment of dividends, or repayment of term loans. This highlights the need for a prior, rigorous compliance check across the company.

- **Timelines are Absolute:** The necessity of adhering to strict statutory timelines, such as completing the buyback within one year of the resolution, extinguishing the shares within seven days of completion, and filing the return within thirty days.
- **The Power of Resolution:** Appreciating the difference in requirements for a Board Resolution (up to 10%) versus a Special Resolution (up to 25%), and the importance of a comprehensive explanatory statement pursuant to Rule 17 of Share Capital and Debentures Rules, 2014 attached to the notice of the general meeting.
- **Transparency and Disclosure:** Learning the necessity of making 'full and complete disclosure of all material facts' to shareholders, as mandated by the Act.

Conclusion

The experience of navigating the buyback process was a steep but rewarding experience. Navigating the share buyback proved to be the highest test of the Company Secretary's role as the Chief Governance Officer. It requires transcending the purely secretarial function and acting as a strategic anchor, translating the Board's financial decision into a concrete, legally sound operational plan. My key learning was the absolute necessity of front-loading the compliance efforts.

The true challenge lies not just in meeting the minimum requirements of the Companies Act, 2013, but in ensuring that every procedural step—from drafting the nuanced Explanatory Statement and securing the Special Resolution, to meticulously filing the Declaration of Solvency and extinguishing the securities—is handled with zero tolerance for error. The complexity of coordinating between the Board, the merchant banker, the Registrar, demands a deep, integrated understanding of corporate law and market operations.

For any CS managing a buyback, the paramount lesson is that the process is a marathon of diligence. Success is defined not by the premium paid, but by the timely, transparent, and completely compliant closure of the offer, thereby reinforcing the company's commitment to sound corporate governance.

In conclusion, my experience steering the buyback confirmed that this strategic corporate action is, at its core, a meticulous exercise in regulatory compliance and stakeholder governance. From a Company Secretary's desk, the buyback is less about market signaling and more about the flawless execution of legal mandates.

By,

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DEPUTY MANAGER – COMPANY SECRETARY - ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

ARTICLE 2:

COMPLIANCE OFFICER AND HIS/HER OBLIGATIONS LODR

Regulation 6 deals with appointment of a Compliance Officer and his /her Obligations:

Regulation 6 comprises of 2 sub-regulations. Regulation 6 was amended with effect from 05.05.2021, proviso to sub regulation 1 was inserted with effect from 13.12.2024 Sub regulations 1A was inserted with effect from 15.07.2023 and sub regulation 1B were added with effect from 13.12.2024.

6. (1) A listed entity shall appoint a qualified company secretary as the compliance officer.

- a. It is mandatory for a listed entity to appoint a Compliance Officer.
- b. The Compliance officer shall be a qualified company secretary.
- c. A single person need not hold the position of company secretary and compliance officer. Where there are 2 or more qualified company secretaries in a listed entity, one person may be Company Secretary and the other person may be the compliance officer of the listed entity.

Provided that the Compliance Officer shall be an officer, who is in whole time employment of the listed entity, not more than one level below the board of directors and shall be designated as a Key Managerial Personnel.

- a. The Compliance officer must meet the following conditions:
 - i. must be an officer; in company hierarchy or level;
 - ii. must be in whole time employment;
 - iii. must not be more than one level below the Board of Directors;
 - iv. must be designated as a Key Managerial Personnel.

Clarification from SEBI dt.01.04.2025

SEBI vide its circular dt.01.04.2025 clarified that the term "level" used in Regulation 6(1) refers to the position of the compliance officer in the organisational structure of the listed entity. Therefore, "one level below the board of directors" means one-level below the Managing Director or Whole Time Director(s) who are part of the Board of Directors of the listed entity. In case a listed entity does not have a MD or a WTD, then the compliance officer cannot be more than one-level below the Chief Executive Officer or Manager or any other person heading the day-to-day affairs of the company.

(1A) Any vacancy in the office of the Compliance Officer shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy:

- 1. This provision mandates that any vacancy in the office of the compliance officer must be filled by the listed entity as soon as possible, and definitely not later than three months from the date the vacancy occurs.

Provided that the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.

1. There can be no interim appointment, unless it satisfies the following:

i. The appointment confirms to the applicable laws and regulations as applicable to a fresh and a permanent appointment. i.e recommended by the NRC to the Board and holding the qualification of Company Secretary and designated as Key Managerial Personnel and intimated to the Stock Exchanges and ROC.

ii. The interim appointee fulfils all the obligations required of a compliance officer as if the were appointed permanently.

(1B) Any vacancy in the office of the Compliance Officer of such listed entity in respect of which a resolution plan under section 31 of the Insolvency Code has been approved, shall be filled within a period of three months of such approval:

1. Mandates that any vacancy in the office of the compliance officer of a listed entity for which a resolution plan under section 31 of the Insolvency and Bankruptcy code, 2016 has been approved, must be filled within a period of three months from the date of such approval.

Provided that, in the interim, such listed entity shall have not less than one full-time key managerial personnel managing its day-to-day affairs.

1. Mandates that, in the interim the listed entity must have at least one full-time Key Managerial Personnel (KMP) managing its day-to-day affairs. The interim requirement is critical to maintaining governance and ensuring continuity in operations until the compliance officer is appointed.

(2) The compliance officer of the listed entity shall be responsible for-

(a) ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.

(b) co-ordination with and reporting to the Board, recognised stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time.

(c) ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.

(d) monitoring email address of grievance redressal division as designated by the listed entity for the purpose of registering complaints by investors:

Provided that the requirements of this regulation shall not be applicable in the case of units issued by mutual funds which are listed on recognized stock exchange(s) but shall be governed by the provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

CS V V NARESH, PRACTICING COMPANY SECRETARY

ARTICLE 3:

The New Governance Equation: Human Judgment + AI-Powered Insight

SUMMARY:-

The New Governance Equation transforms the role of a Company Secretary from an administrative function into a strategic advisory one. AI-powered insight handles repetitive tasks like managing compliance checklists, drafting routine resolutions, and monitoring regulatory changes. This automation significantly reduces the administrative burden and improves accuracy.

The equation's second, non-negotiable component is Human Judgment. This involves the CS using their expertise to interpret the AI's data, provide nuanced advice to the Board on complex issues, and ensure ethical and strategic oversight. The CS's human judgment is crucial for tasks like drafting minutes that capture the true spirit of a discussion, navigating sensitive Boardroom dynamics, and ensuring the company's governance aligns with its values and legal duties. The future of the profession lies in this symbiotic relationship.

Introduction:-

"The future of artificial intelligence is not about man versus machine, but rather man with machine. Together, we can achieve unimaginable heights of innovation and progress."

AI's evolution, from a theoretical curiosity to a strategic imperative, has fundamentally reshaped boardrooms. The past was defined by a cautious, often hands-off approach, while the present is marked by active engagement and strategic investment. The future will require boards to not only oversee AI, but to truly embed it as a core component of corporate governance.

In the past, AI was largely a topic for the CTO or a separate R&D team. Board discussions were limited to a nascent understanding of AI as a tool for efficiency, often in the form of robotic process automation (RPA) or simple data analysis. The primary focus was on cost reduction and incremental improvements, rather than on AI as a driver of competitive advantage or business model transformation. Board members, typically seasoned in traditional business models, viewed AI as a complex, technical domain, and their oversight was minimal and reactive.

Artificial intelligence is moving beyond a support role and is increasingly being integrated into boardrooms and high-level corporate governance. This shift from a tool for tactical tasks to a strategic asset is reshaping how companies are managed and how decisions are made.

THE "NEW GOVERNANCE EQUATION" is a framework that describes the evolving role of corporate governance in an age of artificial intelligence. It represents a fundamental shift from a model based solely on human judgment and experience to a hybrid model where human intellect is augmented by the analytical power of AI.

This equation, Human Judgment + AI-Powered Insight, encapsulates the idea that AI will not replace human decision-makers in the boardroom but will instead provide them with superior data and predictive analysis to make more informed, effective, and ethical decisions.

COMPONENTS OF THE EQUATION

Human Judgment

Human judgment remains the indispensable core of effective governance. This component includes:

- *Ethical and Moral Compass:* AI can process data, but it lacks a moral framework. Human directors are essential for making decisions that align with the company's values and societal expectations.
- *Strategic Foresight:* While AI can predict trends based on historical data, humans are better at imagining entirely new possibilities, taking bold risks, and navigating novel, complex situations that have no historical precedent.
- *Stakeholder Empathy:* Effective governance requires understanding and managing the needs of diverse stakeholders—employees, customers, investors, and communities. This requires emotional intelligence and empathy, qualities that AI cannot replicate.

AI-Powered Insight

AI augments human judgment by providing a level of data analysis and foresight that is impossible for humans alone. This component includes:

- *Real-time Risk Management:* AI can continuously monitor vast data streams from internal operations, market trends, and cybersecurity threats to identify and flag potential risks in real-time. This moves risk management from a reactive to a proactive function.
- *Enhanced Due Diligence:* During mergers and acquisitions, AI can quickly analyze thousands of legal and financial documents, highlighting discrepancies and hidden liabilities with a speed and accuracy that traditional methods cannot match.
- *Predictive Analytics:* AI can run complex simulations and predictive models to forecast the outcomes of different strategic decisions, allowing boards to test a variety of scenarios before committing to a course of action.

WHY THIS EQUATION IS CRUCIAL

The fusion of human judgment and AI-powered insight is essential for navigating the complexities of the modern business environment. Without AI, boards risk making decisions based on limited, delayed, or biased information. Without human judgment, decisions could be ethically unsound, lack strategic creativity, and fail to consider the human element. The "New Governance Equation" ensures that companies can leverage the full potential of AI while remaining grounded in sound ethics, accountability, and a clear sense of purpose.

The modern corporate boardroom has long been the sanctum of strategic decision-making, a place where seasoned executives and directors, armed with decades of experience, make critical choices that shape a company's destiny. For generations, the foundation of this process has been human judgment—an amalgam of intuition, expertise, and a moral compass. Today, however, a new, powerful variable has entered this equation: AI-powered insight. The convergence of human intellect with the computational power of artificial intelligence is not merely an incremental change; it is a fundamental redefinition of corporate governance. This new governance equation—Human Judgment + AI-Powered Insight—is reshaping the responsibilities of directors, enhancing oversight, and fundamentally changing how companies navigate a world of unprecedented complexity and risk. It marks a transition from governance as an art to governance as a data-driven science, all while keeping a human at the helm.

THE FOUNDATIONS OF THE EQUATION: UNDERSTANDING EACH VARIABLE

To grasp the power of this new equation, we must first understand its two distinct yet complementary variables.

VARIABLE 1: HUMAN JUDGMENT

Human judgment remains the indispensable, non-negotiable component of governance. It is the variable that provides the qualitative, ethical, and strategic depth that no algorithm can yet replicate.

- **Ethical and Moral Compass:** Boards are responsible for decisions that go beyond profitability, touching on ethics, sustainability, and social responsibility. AI can process data on supply chain practices, but it's a human board that must decide if a company's values align with a particular partner. This requires a moral compass that AI, a tool of pure logic and data, lacks. The board must act as the ultimate guardian of corporate integrity.
- **Strategic Foresight and Creativity:** AI is trained on historical data. While it can forecast trends and identify patterns, it cannot envision a truly novel, disruptive business model. A board's role is to think creatively, to embrace risk, and to chart a course into uncharted territory. It's the human director who will see a market opportunity that has no historical precedent and decide to pursue it.
- **Stakeholder Empathy and Negotiation:** Governance involves a constant balancing act between the interests of various stakeholders—employees, customers, shareholders, and the community. This requires empathy, nuanced communication, and the ability to negotiate and build consensus. These are inherently human skills that are crucial for effective, long-term governance.

VARIABLE 2: AI-POWERED INSIGHT

AI is not a substitute for human intellect but an unparalleled tool for augmenting it. Its role in the equation is to provide a level of data analysis, speed, and objectivity that is simply beyond human capability.

- **Real-time Risk Management:** Traditional risk management is often reactive and slow. By contrast, AI can continuously monitor vast, unstructured data streams from legal, financial, and operational systems. For example, it can detect anomalies in trading patterns that may signal fraud or analyze social media sentiment to flag a potential reputational crisis before it goes viral.
- **Enhanced Due Diligence:** The process of due diligence for a merger or acquisition is typically a time-consuming, document-intensive ordeal. AI can read, analyze, and flag key clauses or inconsistencies in thousands of legal contracts in a matter of minutes, drastically accelerating the process and reducing the risk of an oversight.
- **Predictive Analytics and Scenario Modeling:** Instead of relying on historical trends alone, boards can use AI to run complex predictive models. This allows them to simulate the potential outcomes of a variety of strategic decisions, from entering a new market to divesting a business unit. This capability provides a powerful, data-backed basis for strategic planning.

THE RESULTING SYNERGY: A more Intelligent, Agile, And Ethical Governance Model

The true power of the new governance equation lies in the synergy between its two variables. When human judgment is informed by AI-powered insight, the result is a governance model that is more intelligent, agile, and robust.

- **From Intuition to Informed Judgment:** The days of "gut-feel" decisions are over. Board members can now validate their instincts with hard data and predictive models. For example, a director's intuition about a market shift can be supported by AI-driven analysis of consumer trends and competitive dynamics.

- **A Proactive, Not Reactive, Stance:** AI shifts the board's focus from reacting to problems to proactively identifying and mitigating them. This allows boards to move beyond mere compliance and into strategic oversight, steering the company toward long-term success.
- **Enhanced Accountability and Transparency:** The use of AI can create a clear audit trail for decisions. If an AI model's output is used to inform a decision, the reasoning and data behind it can be transparently documented, which is crucial for accountability.

THE FUTURE AND THE CHALLENGES

While the benefits are clear, the integration of AI into governance is not without its challenges. The new governance equation requires a fundamental shift in mindset and skill sets. Boards must become AI-literate, understanding not just the technology's capabilities but also its limitations, including the risk of algorithmic bias. The governance professional, such as a company secretary, will need to evolve from a procedural expert to a strategic AI advisor, helping the board navigate these new waters.

The ultimate goal is not to have an AI on the board but to have a board that is augmented by AI. This new partnership will enable companies to not only survive but thrive in a complex, fast-changing world, ensuring that governance remains a cornerstone of trust, integrity, and long-term value creation.

The Companies Act, 2013, in India, does not explicitly mention Artificial Intelligence (AI) or its role in corporate governance. It's a human-centric law, and as such, it does not currently recognize AI as a "person" with legal standing, meaning an AI cannot be appointed as a director on a company's board.

Despite the lack of specific provisions, AI is already impacting the Act's implementation, primarily by assisting companies and their directors in meeting compliance obligations more effectively.

How AI Intersects with the Companies Act, 2013

AI is not a legal entity under the Act, but it is a powerful tool for compliance and governance professionals.

The AI-Empowered Company Secretary: The role is evolving from process administrator to experience designer and guardian of ethics."

- **Compliance and Reporting:** AI-powered software can automate the monitoring of legal and regulatory changes, helping companies stay compliant with sections of the Act. For instance, AI can be used to scan financial statements to ensure they comply with Section 134 (requiring the Board's report to include details on the company's affairs), reducing the risk of human error.
- **Director's Duties:** The Act outlines specific duties for directors under Section 166, including the duty of care, skill, and due diligence. AI can help directors fulfill these duties by providing them with real-time, data-driven insights for risk assessment and decision-making. AI can analyze vast datasets to identify potential risks or fraud, enabling directors to act proactively and with greater diligence.
- **Board Meetings:** AI can assist in the administrative aspects of board meetings, which are regulated by the Act. AI can draft agendas, take meeting minutes, and ensure proper record-keeping, as required by Section 173 and the Secretarial Standards.

THE LEGAL AND ETHICAL GAPS

The absence of a legal framework for AI in the Companies Act creates several complex issues.

- **Liability and Accountability:** If a decision made by an AI system leads to a negative outcome or a violation of the Act, the question of liability becomes difficult. Since the Act holds directors and key managerial personnel accountable, they remain legally responsible for any decisions, even if they were informed or recommended by an AI. The law does not recognize the AI itself as a liable party.

- **Algorithmic Bias:** The Act emphasizes fairness and non-discrimination. However, AI systems can reflect and amplify biases present in their training data. This poses a challenge for companies seeking to adhere to the Act's principles of good governance, as biased AI could lead to discriminatory outcomes in areas like hiring or customer relations.
- **Data Protection:** The use of AI for corporate governance involves processing large amounts of data, raising concerns about privacy and data security. Companies must ensure their AI practices comply with existing laws, such as the Digital Personal Data Protection Act, 2023,

AI'S ROLE IN IMPROVING SEBI COMPLIANCE

AI is becoming an essential tool for regulated entities in adhering to SEBI's complex and extensive regulations.

- **Market Surveillance & Fraud Detection:** AI systems can process massive volumes of trading data in real-time to detect unusual patterns that may indicate market manipulation, insider trading, or other fraudulent activities. This allows SEBI to identify and act on violations much faster than through traditional methods.
- **Automated Regulatory Reporting:** AI-powered software can automate the collection, analysis, and generation of data required for various regulatory reports, such as those related to trading volumes, client transactions, and risk disclosures. This reduces the time and effort required for compliance and minimizes the risk of human error.
- **Enhanced Due Diligence:** For intermediaries like investment advisors and brokers, AI can perform enhanced due diligence on clients, verifying identity documents and analyzing client history to ensure compliance with Know Your Client (KYC) and Anti-Money Laundering (AML) regulations.

By establishing these principles, SEBI aims to balance encouraging innovation in the financial sector with its core mandate of protecting investors and maintaining the integrity of the securities market. AI is fundamentally reshaping corporate governance for listed companies by moving it from a reactive, compliance-centric function to a proactive, strategic one. It enhances the board's ability to oversee a company's operations, manage risk, and make informed decisions by providing insights that are impossible for humans to achieve alone.

Current Role of AI - Company Secretarial Practice

AI tools are already being implemented to enhance efficiency and accuracy in several key areas:

- **Automating Routine Tasks:** AI-powered software can handle a range of repetitive, time-consuming duties that are a core part of the CS role. This includes document management, such as sorting, categorizing, and retrieving corporate records; meeting management, like scheduling meetings, generating agendas, and drafting meeting minutes based on transcripts; and compliance calendars, which automatically track and send reminders for regulatory filings and deadlines.
- **Enhancing Compliance and Governance:** AI is a powerful tool for navigating the complex and ever-changing regulatory landscape. AI systems can monitor changes in laws and regulations in real-time, helping the CS ensure the company remains compliant. They can also analyze vast datasets to perform risk assessments, identify potential governance gaps, and detect anomalies that could indicate fraud or non-compliance.
- **Improving Data Analysis and Reporting:** AI can quickly process and analyze large volumes of financial and operational data, providing the CS with actionable insights. This allows them to produce more detailed and accurate reports for the board, enhancing their ability to advise on strategic decisions and provide data-driven recommendations.

FUTURE ROLE AND STRATEGIC OPPORTUNITIES

As AI becomes more sophisticated, the role of a CS will evolve further, requiring a new set of skills and a strategic mindset.

- **Strategic Advisor to the Board:** With administrative burdens reduced, the CS can spend more time advising the board on complex issues such as corporate restructuring, mergers and acquisitions, and emerging risks. They will become a crucial liaison between the board and the technology being implemented, helping to translate complex AI concepts into clear, actionable governance frameworks.
- **Championing AI Governance:** A practicing CS is uniquely positioned to lead the development of an AI governance framework for their organization. This includes establishing policies for the ethical use of AI, ensuring data privacy and security, and defining accountability for AI-driven decisions. They will be responsible for ensuring that the company's use of AI aligns with its values and legal obligations.
- **Upskilling and AI Literacy:** The future of the profession requires the CS to be an AI-literate professional, not just a user of AI tools. They will need to understand the capabilities and limitations of AI and guide the board and employees in its responsible adoption. This will involve continuous learning and adapting to new technologies. The role will transition from one that processes information to one that provides context, judgment, and strategic insight.

MODERN BOARD ROOM

AI software is increasingly integrated into board governance platforms to streamline operations, enhance decision-making, and improve oversight. These tools are often embedded within a broader board management suite, offering specific functionalities that leverage AI to make the work of directors and administrators more efficient and strategic.

The following are the **common AI tools and features found in modern boardrooms**.

1. Meeting Preparation and Administration

- **Agenda and Board Book Builders:** AI can analyze past meeting minutes and company documents to automatically generate draft agendas. It can also assemble comprehensive "board books" by pulling relevant reports, financials, and legal documents from various sources, reducing manual effort and ensuring materials are complete and up-to-date.
- **Minutes and Transcript Generation:** AI-powered tools can transcribe meeting discussions in real-time, and then use natural language processing (NLP) to summarize key points, identify resolutions, and flag action items. This significantly reduces the time and effort required to produce accurate meeting minutes.

2. Strategic Insight and Decision-Making

- **Predictive Analytics and Risk Assessment:** AI can analyze vast amounts of internal and external data—including financial performance, market trends, and regulatory changes—to identify potential risks and opportunities. It can provide predictive insights, helping the board anticipate challenges and make more informed strategic decisions.
- **Competitive Intelligence:** AI can monitor news, social media, and competitor reports to provide real-time competitive intelligence. It can flag emerging trends, analyze competitor strategies, and offer insights that help the board maintain a competitive edge.
- **Data Visualization and Reporting:** AI can transform complex, raw data into easy-to-understand dashboards and visualizations. These tools can present key performance indicators (KPIs), ESG metrics, and risk scores in a clear, digestible format, enabling the board to quickly grasp the big picture.

3. Governance, Risk, and Compliance (GRC)

- *Compliance Monitoring:* AI-driven tools can track regulatory changes and alert the board to new compliance requirements. They can also analyze internal documents and transactions to identify potential compliance violations or red flags.
- *Algorithmic Audits:* As companies increasingly use AI in their operations, boards are responsible for overseeing its ethical use. AI governance software helps audit algorithms for bias, security vulnerabilities, and transparency, ensuring the company's AI systems are fair and accountable.
- *ESG Tracking and Reporting:* AI can automate the collection and analysis of data for Environmental, Social, and Governance (ESG) reporting. It can track a company's carbon footprint, monitor supply chain practices, and ensure that disclosures align with global standards.

4. Board Performance and Collaboration

- *Director Engagement Analysis:* Some advanced tools can analyze meeting participation, document review habits, and other metrics to provide insights into director engagement. This helps the board identify areas for improvement and ensure all directors are contributing effectively.
- *Search and Contextual Assistance:* AI-powered search engines within board portals can instantly find specific information across thousands of documents. Directors can ask questions in natural language and receive summaries, key takeaways, and cross-references to relevant materials, helping them prepare more efficiently.

CONCLUSION

To end this article, let's consider a powerful Sanskrit Shloka related to artificial intelligence

अक्कलानि महति विद्यानि, अक्कलानि महति बुद्धिः

अक्कलानि महति स्थितिः, अक्कलानि महति मतिः।

Translation: Accuracy is the essence of knowledge, accuracy is the essence of wisdom, accuracy is the essence of stability, accuracy is the essence of intelligence.

This Shloka highlights the importance of accuracy in knowledge, wisdom, stability, and intelligence. In the context of AI, it serves as a reminder of the importance of creating algorithms that are accurate, efficient, and effective in processing and analysing language data.

The core purpose of AI is to make things more efficient, but the core purpose of governance is to make things more ethical and accountable. The Company Secretary is the link between the two."

The equation "Human Judgment + AI-Powered Insight" is not a simple substitution but a necessary synergy for modern governance. It demands a proactive and collaborative approach to build governance structures that harness AI's analytical power while maintaining human control, ethical integrity, and societal values. By addressing skill gaps, promoting transparency, and continuously monitoring AI systems, Company Secretaries can unlock the transformative potential of AI for effective and responsible governance.

CS C V Kavviya – M.Com , ACS, MBA and LLB ACS 55102

DEPUTY MANAGER – COMPANY SECRETARY - ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

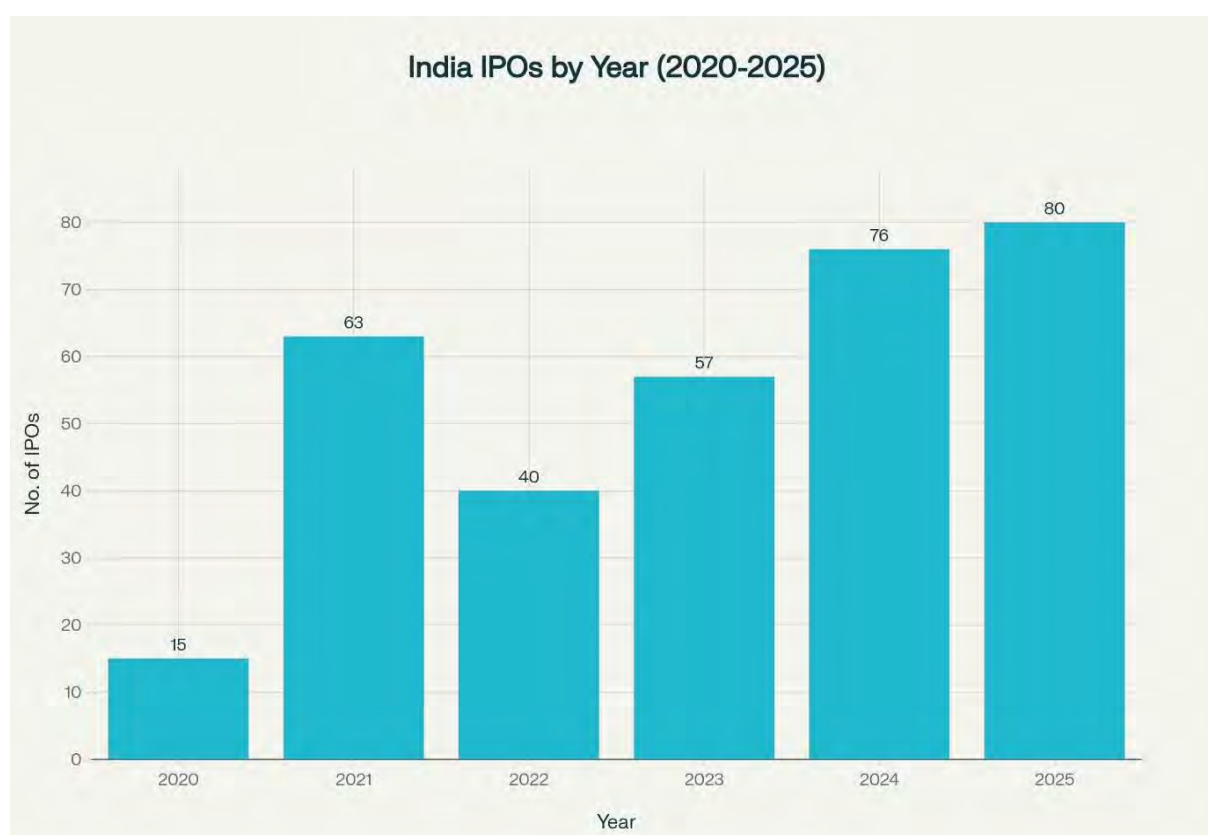
ARTICLE 4:

India's IPO Market Surge: Five Years of Market Transformation (2020-2025)

India's IPO market has grown exponentially over the past five years, becoming one of the world's top destinations for public offerings. From 2020 to 2025, both scale and investor participation expanded sharply, led by rising domestic investor dominance.

Market Overview (mainboard)

India ranks 4th globally in 2025 IPO fundraising with \$14.2 billion (₹85,000 crores) raised, behind the US, Hong Kong, and China.



Year-wise IPO Analysis (2020-2025)

- **2020:** 15 listings raising ₹ 26,613 crores despite pandemic disruptions; key IPOs – SBI Cards, Gland Pharma.
- **2021:** Record year with 63 IPOs mobilizing ₹ 1,18,723 crores, driven by Paytm (₹ 18,300 crores), Zomato (₹ 9,300 crores), and strong retail participation (14.36 lakh avg. applications).
- **2022:** Volatility cut activity to 40 IPOs, raising ₹ 59,302 crores; winners included Medanta and Kaynes Technology.
- **2023:** 57 IPOs raised ₹ 49,436 crores, with 80% showing listing gains.
- **2024:** Stellar surge as 76 IPOs raised ₹ 1,82,460 crores with 84% positive listings.
- **2025 (till Oct):** Already 80 IPOs, expected to exceed ₹ 1.6 lakh crores; major issues – Tata Capital (₹ 15,512 crores), LG Electronics (₹ 11,607 crores), WeWork India (₹ 3,000 crores).

Sectoral Analysis and Market Strength

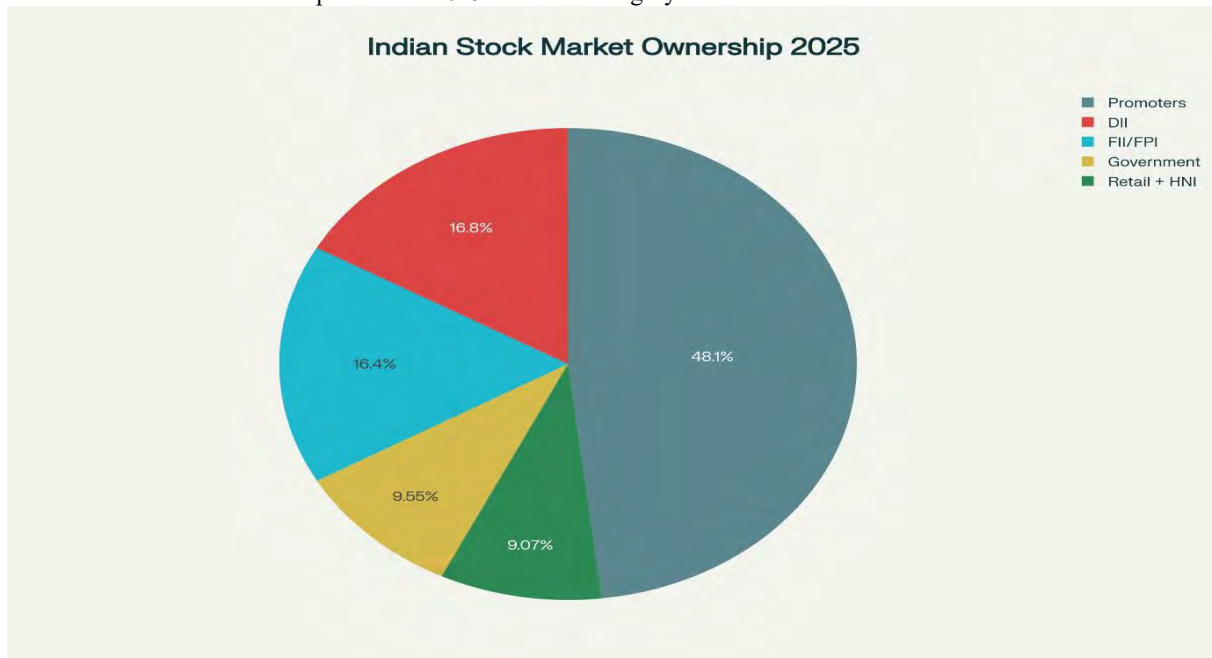
- **Financial Services:** ₹ 18,324 crores (5 IPOs)
- **Capital Goods:** ₹ 11,422 crores (16 IPOs)
- **IT:** ₹ 9,771 crores (3 IPOs)
- **Consumer Tech & Green Energy:** 28 IPOs, forming 16% of total

FY25 oversubscription: QIBs 102x, retail 35x. Smaller issues (<₹2B) yielded **37%** average gains vs **29%** for large issues.

Foreign vs Domestic Investment Dynamics

A fundamental shift has occurred in the ownership structure of Indian equity markets, with domestic investors gaining unprecedented importance.

Indian Stock Market Ownership Structure 2025: Investor Category Breakdown



Domestic investors now dominate Indian equities.

- **DII holdings:** 17.6% (₹ 71.76 lakh crores)
- **FPI holdings:** 17.2% – first time below DIIs in two decades
- **Mutual funds:** record 10.35% of NSE market cap

DIIs invested ₹1.54 lakh crores in Q2 FY25, largely through SIPs (₹1.16 lakh crores) and insurers (₹47,538 crores).

While FPIs withdrew \$18B from secondary markets, they invested \$5B in IPOs selectively, emphasizing premium issues. Strong domestic liquidity helped absorb large offerings.

Market Resilience and Recognition

Despite FPI outflows of ₹87,000 crores in Jan 2025, Nifty dipped only 2–3%, emphasizing market stability. **NSE ranked #1 globally** in IPO fundraising, surpassing NASDAQ—supported by SEBI's T+3 settlement, robust regulations, and institutional depth.

Investment Metrics

- Average listing gains: 22% (161 IPOs since Jan 2024)
- 61% of IPOs outperformed Nifty over 6 months
- Over 80% yielded positive listing returns.

Future Outlook

India's IPO market has undergone a remarkable transformation between 2020 and 2025, evolving into a globally competitive, domestically anchored capital formation ecosystem. The period witnessed over 330 companies raising nearly ₹6 lakh crores, with domestic institutional investors overtaking foreign portfolio investors for the first time in two decades.

This shift reflects deepening financial inclusion, robust SIP driven mutual fund participation, and enhanced regulatory frameworks that have made India the world's most active IPO hub by listings. Despite global uncertainties and periodic FPI outflows, the market has demonstrated exceptional resilience, with 80% of recent IPOs delivering positive listing gains and strong long term performance.

The NSE's emergence as the top IPO destination globally, coupled with India's sustained GDP growth trajectory and expanding sectoral diversity particularly in technology, green energy, and consumer digital positions the country for continued leadership in global capital markets. India's IPO success story exemplifies a mature, self-reliant market capable of absorbing large scale offerings while consistently rewarding investors and supporting entrepreneurial growth.

CS RS Abhinandhanan, Corporate Secretarial, Redington Limited

4TH MEETING OF THE COMPANY LAW AND CORPORATE MATTERS COMMITTEE WILL BE HELD ON TUESDAY THE 11TH NOVEMBER 2025 AT 4 PM AT THE CHAMBER PREMISES.

PLEASE NOTE THAT ON 11.11.2025 MR P SRIRAM, PRACTISING COMPANY SECRETARY, WILL BE MAKING A PRESENTATION ON NUANCES INVOLVED IN THE FAST TRACK MERGER AND HIGHLIGHTING THE CHANGES MADE BY THE RECENT NOTIFICATION

**CS DR B RAVI
CHAIRMAN
COMPANY LAW AND CORPORATE MATTERS COMMITTEE**

PLEASE INDICATE IN THE POLL SHEET ABOUT YOUR CONFIRMATION.

***FIFTH MEETING OF THE COMPANY LAW AND
CORPORATE MATTERS COMMITTEE WILL BE
HELD ON TUESDAY THE 09TH DECEMBER 2025 AT
4 PM AT THE CHAMBER PREMISES.***

***LAST MEETING FOR THE CALENDAR YEAR 2025
BLOCK YOUR CALENDAR NOW ITSELF.***

***WOULD BE HAPPY TO SEE ALL THE MEMBERS
OF THE COMMITTEE ATTENDING THE MEETING***