



**SUPPLEMENTARY FOR
JUNE 2026 TERM
OF EXAMINATION**

PAPER - 13

**CORPORATE AND ECONOMIC
LAWS**

SYLLABUS 2022



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Section A: Corporate Laws

1. Companies Act, 2013

- ***Companies (Accounts) Second Amendment Rules, 2025***

Notification: 30 May 2025

Effective from: 14 July 2025

The Ministry of Corporate Affairs amended the Companies (Accounts) Rules, 2014 to strengthen disclosure standards and shift financial reporting completely to the MCA V3 digital framework.

Key Amendments

(a) Enhanced Board's Report Disclosures

Companies are now required to disclose:

Number of sexual harassment complaints received, disposed of and pending for more than 90 days under the POSH Act.

A specific compliance declaration regarding adherence to the Maternity Benefit Act, 1961.

(b) Substitution and Revision of Filing Forms

Earlier filing formats have been replaced with revised electronic forms aligned with MCA V3:

Earlier Forms	Revised / Substituted Forms
AOC filings (old versions)	e-AOC-1, e-AOC-2
AOC-4	Revised AOC-4 (V3)
AOC-4 CFS	Updated electronic version
NBFC AOC variants	Revised V3 formats

(c) Digital Filing Requirement

Companies must now file:

- signed financial statements,
- Board's Report extracts,
- Auditor's Reports (standalone & consolidated)

only through MCA V3 portal in PDF/XBRL mode.

- ***Companies (Audit and Auditors) Amendment Rules, 2025***

Notification: June 2025

Effective from: 14 July 2025



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The amendment simplifies auditor reporting and mandates electronic fraud reporting.

Key Amendments

(a) Substitution of Rule 13(2)

Auditor fraud reporting must now be filed electronically in Form ADT-4.

Earlier physical submission to MCA stands discontinued.

(b) Omission of Earlier Procedures

Postal submission requirement removed.

Letterhead-based reporting clauses omitted to avoid duplication.

(c) Revision of Audit Forms (MCA V3)

Updated electronic versions introduced for:

- ADT-1 - Appointment of auditor
- ADT-2 - Removal of auditor
- ADT-3 - Resignation of auditor
- ADT- 4 - Fraud reporting

- ***Companies (Restriction on Number of Layers) Amendment Rules, 2025***

Notification: 27 June 2025

Effective from: 14 July 2025

Key Amendment

Existing Form CRL-1 substituted with revised electronic Form CRL-1.

Changes Introduced

- Simplified disclosure of holding–subsidiary structures.
- Improved reporting clarity of layered corporate entities.

- ***Companies (Indian Accounting Standards) Second Amendment Rules, 2025***

Notification: 13 August 2025

Key Amendment

Revisions made to the Ind AS framework to align Indian Accounting Standards with updated international financial reporting developments.

Impact

Applicable to companies mandatorily following Ind AS and affects:

- recognition,
- measurement,
- disclosure requirements in financial statements.



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2. Insolvency and Bankruptcy Code – Procedural Digitalisation (Post May 2025 Impact Continuing)

Although notified earlier, mandatory electronic compliance became operationally significant during this period.

Key Compliance Changes

- Forms CP-1 to CP-5 relating to Corporate Insolvency Resolution Process must be filed electronically.
- All filings require digital signature and professional certification.
- Delay in filing attracts:
- ₹500 per month per form, and
- possible disciplinary action against the Resolution Professional.

Summary:

The amendments introduced between June 2025 and November 2025 primarily focus on:

- Transition to complete digital compliance (MCA V3 ecosystem)
- Substitution of physical filings with electronic forms
- Enhanced Board's Report disclosures
- Simplification of audit reporting procedures
- Improved transparency in corporate group structures
- Alignment of Indian Accounting Standards with global frameworks
- Unlike earlier legislative amendments, the emphasis during this period is procedural modernisation rather than substantive changes in company law provisions.



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Section B: Economic Laws & Regulations

3. SEBI Regulations

Amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Relevant Provision: Regulation 23 - Related Party Transactions (RPTs)

Effective: 2025 Regulatory Amendment Cycle

SEBI amended Regulation 23 of the SEBI (LODR) Regulations, 2015 with the objective of strengthening corporate governance while reducing unnecessary procedural burden on listed entities.

a) *Revision in Materiality Threshold for Related Party Transactions*

Earlier Position

Material Related Party Transactions were determined using a uniform percentage threshold applicable to all listed entities irrespective of size, generally based on a fixed percentage of annual turnover.

Revised Provision

The amendment introduced a scale-based materiality framework, whereby:

- Materiality threshold is now linked to annual consolidated turnover of the listed entity.
- Threshold determination considers the economic size and operational scale of the company.
- Separate evaluation permitted for recurring operational transactions.

Impact

- Large companies receive proportionate thresholds.
- Prevents minor transactions from requiring shareholder approval.
- Enhances practical compliance.

b) *Additional Compliance Requirements for Subsidiaries*

Earlier Position

RPT compliance obligations primarily applied at the level of the listed holding company, with limited direct governance over transactions of unlisted subsidiaries.

Revised Requirement

The amendment expanded governance oversight by introducing:

- Audit Committee approval mandatory for material RPTs undertaken by unlisted subsidiaries.



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- Listed parent entity required to monitor subsidiary transactions exceeding prescribed thresholds.
- Enhanced disclosure of subsidiary RPTs in consolidated financial reporting.

New Compliance Introduced:

- Monitoring mechanism for subsidiary transactions
- Reporting responsibility on listed parent company
- Strengthened group-level governance framework

c) Rationalisation of Shareholder Approval Requirements

Earlier Position

Shareholder approval was required repeatedly even for routine or recurring transactions despite omnibus approvals.

Revised Provision

- Greater reliance placed on omnibus approvals granted by Audit Committee.
- Shareholder approval required only when transactions exceed revised materiality limits.
- Reduction in repetitive approval requirements for ordinary course transactions.

Compliance Benefit

- Reduced duplication of approvals.
- Faster execution of business transactions.
- Improved compliance efficiency.

d) Simplification of Disclosure Requirements

Earlier Position

Listed entities were required to make multiple disclosures of similar RPT information across quarterly reports, annual reports, and stock exchange filings.

Revised Provision

- Disclosure formats consolidated.
- Duplication across filings removed.
- Standardised reporting templates introduced for electronic submission.

Additional Compliance

Companies must ensure:

- Consistency between financial statements and stock exchange disclosures.
- Digital filing through prescribed SEBI reporting systems.



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e) *Strengthening Role of Audit Committee*

The amendment further reinforced governance by:

- Expanding Audit Committee responsibility in reviewing RPT justification.
- Mandatory evaluation of transaction fairness and arm's length nature.
- Requirement to record rationale for approvals.

4. **Competition Act, 2002**

- **CCI (Cost of Production) Regulations 2025:** On May 7, 2025, the Competition Commission of India (CCI) issued the Competition Commission of India (Determination of Cost of Production) Regulations, 2025, which supersede the regulations established in 2009. These new regulations provide standardized definitions and methodologies for determining "cost" in cases of predatory pricing inquiries pursuant to Section 4 of the Act. A key aspect of this regulation is the definition of Average Variable Cost (AVC) as the primary benchmark, calculated as total variable cost divided by total output, to approximate marginal cost. Additionally, other cost metrics such as Total Cost, Total Variable Cost, Avoidable Cost, and Long-Run Average Incremental Cost are clearly defined. The regulations grant the CCI the authority to utilize alternative cost concepts (such as Average Total Cost and long-run incremental cost) provided there is documented justification for their use. Furthermore, the involvement of expert advisors is formalized for both the CCI and the parties involved in disputes. These regulations took effect immediately and will apply prospectively to cases under Section 4.

5. **Foreign Exchange Management Act, 1999 (FEMA)**

Regulatory Updates under FEMA Reporting Framework – 2025

Relevant Provisions: Sections 10(4) and 11(1) of FEMA, 1999

a) *Revision in Foreign Investment Reporting Process*

Earlier Position

Multiple reporting forms were required for foreign investment transactions.

Manual intervention and fragmented filing systems existed.

Delays occurred due to separate approval and reporting stages.

Revised Framework

- Complete migration of reporting to the FIRMS (Foreign Investment Reporting and Management System) portal.
- Integrated electronic submission introduced for:
 - issue of shares to non-residents,



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- transfer of capital instruments,
- downstream investment reporting.

New Compliance

- Mandatory electronic filing only
- Digital acknowledgement generated automatically
- Real-time tracking of filings

b) Rationalisation of Reporting Timelines

Earlier Requirement

Different timelines existed for various foreign investment filings creating compliance complexity.

Revised Requirement

- Harmonised reporting timelines across investment categories.
- Delayed reporting regularisation process simplified through online payment mechanism.

Impact

- Reduced procedural ambiguity.
- Faster compliance closure.

c) Simplification of Downstream Investment Reporting

Earlier Position

Indian entities receiving indirect foreign investment faced complex multi-stage reporting obligations.

Revised Provision

- Consolidated reporting format introduced.
- Responsibility clearly placed on investing Indian entity.
- Alignment with FEMA (Non-Debt Instruments) Rules reporting structure.

Objective

- Promote ease of doing business.
- Improve transparency in foreign capital monitoring.

6. Banking Sector Laws

- **RBI - NBFC Regulation:** On February 27, 2025, the Reserve Bank of India (RBI) updated its master directions on the regulation of Non-Banking Financial Companies (NBFCs) through notification RBI/DoR/2023-24/106. The newly established Master Direction - RBI (NBFC Scale Based Regulation) Directions, 2023 introduces a scale-



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based regulatory framework that becomes effective on the same date. This framework replaces previous categorizations such as Systemically Important (SI) and Non-Systemically Important (NSI) NBFCs, as well as the distinction between deposit-taking and non-deposit-taking entities. Under the new classification, NBFCs are categorized based on their size, activities, and risk profiles to better align capital requirements, governance standards, and prudential norms. This represents a foundational shift aimed at enhancing financial stability and safeguarding investors and depositors.

- **RBI - Cybersecurity (Bank Domains):** In late April 2025, the RBI issued a memorandum requiring all scheduled banks to transition their Internet domains to the “.bank.in” namespace by October 31, 2025. This initiative, announced in a statement by the RBI in February 2025 regarding the new “.bank.in” and “.fin.in” domains, aims to bolster cybersecurity in digital banking, although specific security standards will be developed in due course.

RBI Regulatory Strengthening Measures - 2025

a) ***The RBI issued regulatory directions strengthening governance, fraud monitoring, and compliance reporting in banks.***

- Enhanced Board-level review of fraud risk management
- Periodic certification of fraud monitoring controls
- Strengthened Fraud Monitoring and Reporting Framework

Earlier Position

Fraud reporting systems involved delayed escalation and fragmented internal reporting.

Revised Requirements

Banks required to:

- implement real-time fraud monitoring systems,
- strengthen early warning signal (EWS) mechanisms,
- report fraud incidents through integrated supervisory platforms.

b) ***Digital Compliance Reporting***

Change Introduced

- Migration towards automated regulatory reporting.
- Standardised supervisory data submission formats.

Banks must now maintain:

- digital audit trails,
- automated compliance records,



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➤ centralised reporting dashboards.

c) Governance and Risk Management Enhancements

Additional responsibilities imposed on senior management for:

- risk governance oversight,
- accountability in compliance failures,
- internal control strengthening.

7. Anti-Money Laundering Laws

PMLA Amendment (I4C): On April 25, 2025, the government issued a gazette notification amending the PMLA to include the Indian Cyber Crime Co-ordination Centre (I4C) under the definition of “financial institution” in Section 66. This amendment (G.S.R. 261(E)/25.04.2025) grants I4C the authority to exchange financial intelligence with the Enforcement Directorate (ED) under the PMLA, thereby formally integrating cybercrime investigation with anti-money laundering efforts. As a result, the ED can now obtain information from I4C during money laundering investigations, and vice versa, enabling real-time tracking of online money trails.

Updates under Prevention of Money Laundering Framework – 2025

a) Strengthening of KYC and Customer Due Diligence (CDD)

Earlier Position

Periodic KYC updates were risk-neutral in application.

Revised Requirement

- Adoption of risk-based KYC approach:
- High-risk customers - enhanced due diligence.
- Low-risk customers - simplified periodic updating.
- Greater reliance permitted on digital identity verification.

New Compliance

- Continuous monitoring of customer transactions
- Updating beneficial ownership information

b) Enhanced Reporting Obligations

Reporting entities required to:

- submit Suspicious Transaction Reports (STRs) through upgraded FIU reporting utilities,
- improve accuracy and timeliness of reporting.

Additional Compliance

- automated transaction monitoring systems,



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- documentation of risk classification methodology.

c) *Beneficial Ownership Transparency*

Entities must now:

- identify ultimate beneficial owners more rigorously,
- maintain updated ownership records,
- ensure availability for regulatory inspection.

8. MSME Legal Framework

- **Revised MSME Criteria (2025):** On March 21, 2025, the Ministry of MSME announced an amendment to the criteria outlined in the MSMED Act, effective from April 1, 2025. This revision raised the investment and turnover thresholds approximately 2.5 times: for Micro enterprises, the investment limit increased from ₹1 crore to ₹2.5 crores, and the turnover limit from ₹5 crores to ₹10 crores; for Small enterprises, the investment limit rose from ₹10 crores to ₹25 crores, and the turnover limit from ₹50 crores to ₹100 crores; for Medium enterprises, the investment threshold went from ₹50 crores to ₹125 crores, and the turnover limit from ₹250 crores to ₹500 crores. Notably, the amendment permits existing MSMEs to retain their current status until the end of the fiscal year, thanks to reverse graduation rules. This change expands the MSME category, facilitating growth while allowing enterprises to maintain their benefits. Businesses that exceed the previous limits will transition to higher categories only after March 31, 2025, in accordance with Clause 8(6) of the MSME Act.