



**SUPPLEMENTARY FOR
JUNE 2026 TERM
OF EXAMINATION**

PAPER - 5

BUSINESS LAWS AND ETHICS

SYLLABUS 2022



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Amendments in the Companies Act, 2013

1. Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025

The Ministry of Corporate Affairs (MCA) issued a notification on 7 July 2025, bringing the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025 into effect from 14 July 2025. The amendment strengthens the regulatory framework for implementing and monitoring Corporate Social Responsibility (CSR).

Under the amended rules, Form CSR-1, relating to the registration of CSR implementing agencies, has been replaced by a revised electronic Form CSR-1 that incorporates enhanced disclosure requirements. The revised form mandates additional particulars, such as registration credentials, governance structure, and certification by a practising professional, thereby improving verification and accountability of implementing agencies.

The amendment introduces mandatory digital verification and web-based filing through the MCA V3 portal. CSR implementing agencies must update registration details before conducting activities for eligible companies. Eligibility criteria have also been clarified to align with Section 135 of the Companies Act, 2013.

These amendments aim to enhance transparency in CSR fund utilisation, strengthen compliance oversight, and promote effective monitoring of CSR expenditure through technology-driven mechanisms.

2. Companies (Listing of Equity Shares in Permissible Jurisdictions) Amendment Rules, 2025

The MCA issued a notification on 3 July 2025 amending the Companies (Listing of Equity Shares in Permissible Jurisdictions) Rules, effective from 4 July 2025. The amendment replaces Form LEAP-1 with a revised version requiring additional disclosures and procedural steps.

The revised form requires unlisted public companies seeking overseas listing to provide detailed information on capital structure, regulatory approvals, and compliance confirmations. Companies must file the new Form LEAP-1 within seven days of finalising the prospectus.

The amendment streamlines overseas listing procedures and strengthens regulatory supervision and disclosure standards for cross-border capital market participation.

3. Companies (Incorporation) Amendment Rules, 2025

As part of the Government's digital compliance initiative, amendments to the Companies (Incorporation) Rules, 2014, were introduced in July 2025 to strengthen corporate identity verification processes. The amendment operationalised a revised web-based compliance mechanism, replacing the earlier INC-22A (ACTIVE) compliance framework.



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The updated system requires enhanced verification of registered office particulars, geo-tagged office evidence, and authenticated company identification through electronic filings on the MCA V3 portal. These measures aim to prevent shell company operations and ensure accurate statutory records. The Second Amendment Rules, 2025, were notified on 26 August 2025 and became effective on 15 September 2025. Pursuant to this amendment, Form RD-1 (application to Regional Director) has been substituted by a revised Form RD-1.

The revised form standardises electronic applications submitted for approvals relating to:

- change of financial year under Section 2(41),
- conversion of company status,
- rectification of the company name,
- and other matters requiring approval of the Central Government, delegated to the Regional Director.

The revised form includes additional disclosure fields and structured digital validation to improve processing efficiency and reduce procedural deficiencies.

4. Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025

The MCA notified the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025 on 4 September 2025, effective from 8 September 2025. The amendment introduces significant procedural enhancements for merger and amalgamation schemes.

The amendment mandates that notices of schemes filed under Sections 230 to 232 of the Companies Act, 2013 must additionally be served upon sectoral regulators, including:

- Reserve Bank of India (RBI),
- Securities and Exchange Board of India (SEBI),
- Insurance Regulatory and Development Authority of India (IRDAI),
- Pension Fund Regulatory and Development Authority (PFRDA),
- and recognised stock exchanges for listed entities.

The amendment strengthens inter-regulatory coordination and enhances stakeholder protection by ensuring broader regulatory scrutiny of restructuring proposals.

5. Amendments Relating to Fast-Track Mergers (Section 233)

Vide notification dated 9 September 2025, procedural amendments were introduced for fast-track mergers under Section 233 of the Companies Act, 2013. The amendment expands eligible company categories and revises documentation and notice requirements, standardised declaration formats, and simplified approval timelines, thereby facilitating quicker corporate restructuring while maintaining adequate compliance safeguards.



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6. Companies (Meetings of Board and its Powers) Amendment Rules, 2025

The Companies (Meetings of Board and its Powers) Amendment Rules, 2025 were notified on 3 November 2025. The amendment substitutes Rule 11(2) to clarify the interpretation of the expression “business of financing industrial enterprises” for the purposes of Section 186 relating to loans, guarantees, securities, and investments by companies.

The clarification expressly includes:

- financing activities undertaken by Non-Banking Financial Companies (NBFCs),
- guarantees and securities provided in the ordinary course of financing business, and
- financing operations carried out by entities located in International Financial Services Centres (IFSCs).

The amendment removes ambiguity and provides regulatory clarity regarding exemptions under Section 186.

7. Companies (Accounts) Second Amendment Rules, 2025

With effect from 14 July 2025, these amendments introduced notable substantive changes:

- Enhanced Disclosures in the Board’s Report:** The Board’s Report must now disclose quantitative data regarding sexual harassment complaints, including the number of complaints received, disposed of, and pending for more than 90 days, pursuant to the requirements under the Prevention of Sexual Harassment (POSH) Act. The Report must also include a declaration of compliance with the Maternity Benefit Act, 1961.
- Digital Filing Enhancements:** The amendments introduce new e-forms (e.g., e-AOC-1, e-AOC- 2, e-AOC-4, AOC-4 CFS, and NBFC-specific versions), and mandate the submission of extracts of the Board’s Report and Auditor’s Reports (both standalone and consolidated), together with signed financial statements in PDF or XBRL format.

8. Companies (Audit and Auditors) Amendment Rules, 2025

The Companies (Audit and Auditors) Amendment Rules, 2025, notified in June 2025 and effective from 14 July 2025, simplify and digitise auditor reporting requirements. The amendment streamlines auditor fraud reporting by mandating electronic submission through Form ADT-4, now the standard mechanism for reporting identified frauds. It removes redundant reporting clauses, reducing compliance burden while maintaining oversight. These changes improve regulatory efficiency, enable faster communication with authorities, and promote transparency in audit practices, focusing on modernising audit compliance through digitisation.



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9. Companies (Indian Accounting Standards) Second Amendment Rules, 2025

The Companies (Indian Accounting Standards) Second Amendment Rules, 2025, notified on 13 August 2025, revise the Ind AS framework to align with evolving international financial reporting practices. The amendments update specific standards to reflect global norms, enhancing comparability and consistency in financial reporting for Indian companies operating domestically and internationally. These changes apply to companies required to prepare financial statements under Ind AS.

The amendment affects recognition, measurement, presentation, and disclosure requirements in financial statements, requiring companies to reassess accounting policies and reporting practices as needed. The goal is to maintain convergence with global standards and improve transparency and reliability in corporate financial reporting.