

SEBI approves amendments:

Alternate thresholds for ID Appointment | Online bond trading platform | Scheme of arrangement of NCS-listed entities | Trading in MF units



Regulatory framework for online bond trading platforms

- Online bond trading platforms to be registered as stock brokers under debt segment of SEs (In line with SEBI [consultation paper dated July 21, 2022](#))
- Procedural circular detailing operations of such platforms to be rolled out by SEBI
- Reduce the face value of listed privately placed debt securities.
- Read: our detailed [write up on the consultation paper](#)

Independent Director

Alternate threshold for approval of appointment/ removal of IDs

- Where special resolution fails, alternate thresholds (dual approval) shall be tested from the same votes cast:
 - i. ordinary majority; and
 - ii. majority of minority shareholders.
- *'minority shareholders'* mean shareholders other than the promoter and promoter group.
- [SEBI consultation paper dated March 01, 2021](#) had proposed dual approval mechanism. However, in the [SEBI Board Meeting dated 29.06.2021](#), citing practical difficulties w.r.t adopting dual approval method, it was decided to make special resolution as the requisite majority for appointment / removal of IDs.
- Relevant articles: [Independent Directors: Global Perspective](#)
- [Recent amendments relating to IDs](#)
- [Revised regulatory framework for IDs of listed entities in India](#)



Inclusion of trading in units of Mutual Funds under the SEBI PIT

- In line with SEBI [consultation paper dated July 08, 2022](#), insertion of separate chapter in PIT Regulations for:
 - i. definitions of UPSI, generally available information and related terms for MFs;
 - ii. separate Code of Conduct for DPs in respect of MFs;
 - iii. monitoring and reporting of trading in units of MFs by DPs
- Read: Our [comments](#) on the consultation paper and [detailed comparison](#) of the consultation paper with past SEBI Circular on trading in securities by employees and board members of AMC and trustee of MFs



Monitoring of utilization of issue proceeds from preferential issue and QIP by CRAs

- For the issue proceeds from preferential issue and QIP having issue size > Rs 100 cr.
- CRAs to monitor the utilization of the issue proceeds
- Similar provisions are applicable for public issue [R. 41 of ICDR] and rights issue [R. 82 of ICDR] having issue size > Rs. 100 cr.
- It may be noted that any deviation in the utilisation of issue proceeds to be placed before the audit committee and intimated to the stock exchange. [R.32 of LODR]



scheme of arrangement of NCD / NCRPS listed entities – now to be approved by stock exchanges



Unclaimed amount pertaining to NCS of listed entity other than a company to be transferred to IPEF

- Reg 61A of LODR requires listed companies to transfer unclaimed amount to IEPF

Other decisions:

- alignment of disclosure requirement of debt listed entities with equity listed entities
- Amendment in the formula of determining offer price in case of a PSU divestment
- Alternate mode of payment in open offer- Inclusion of unconditional and irrevocable bank guarantee issued by SCBs having AAA rating on any of its long term debts
- separate regulatory framework for unlisted Infrastructure Investment Trust (InvIT) to be discontinued.

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