

VINOD KOTHARI & COMPANY

VINOD KOTHARI CONSULTANTS PRIVATE LIMITED

December, 2022

CORPORATE
AND
SECURITIES
LAWS

FINANCIAL
SERVICES

RESOLUTION
AND
INSOLVENCY
LAWS

SAMAGRATA

COLLECTION OF REGULATORY UPDATES

WHAT'S INSIDE?

We are always on our forefront to apprise our clients, associates as well as those seeking knowledge with recent updates on various laws and regulations. We have consolidated various regulatory announcements and amendments by respective regulators, along with our analysis, for the month of December, 2022. This is supported with reference materials and our write ups on the same.

This issue also covers articles on other contemporary and relevant areas of corporate interest.

We have further added a new section, for all that's recently happening in the real corporate environment and relevant to our readers.

Help us improve!

Feedback/suggestions invited: Feel free to drop a mail to neha.malu@vinodkothari.com

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Section 1: Corporate and Securities Law

Procedure for seeking prior approval for change in control of Intermediaries.

- Circular can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
Market Intermediaries	<p>Reg. 9(c) of the SEBI (Stock Brokers) Regulations, 1992 provides that Stock Brokers ('SBs') are required to obtain prior approval of SEBI in case of change in control. Similarly, reg. 36(1)(d) of SEBI (Depositories and Participants) Regulations, 2018 also require Depository Participants ('DPs') to obtain prior approval of SEBI in case of change in control.</p> <p>SEBI vide circular no. CIR/MIRSD/14/2011 dated August 02, 2011 had prescribed the procedure for seeking prior approval for change in control of certain intermediaries including SBs and DPs.</p> <p>In order to streamline the process of providing approval to the proposed change in control, SEBI has by way of the present circular, laid down the following procedures:</p> <ol style="list-style-type: none"> 1. Change in control that does not involve a scheme of arrangement: <ol style="list-style-type: none"> a. Intermediaries to make an online application to SEBI for prior approval through the SEBI Intermediary Portal ('SI Portal') (https://siportal.sebi.gov.in). b. The application to be accompanied by the below mentioned information/ declaration/ undertaking about the intermediary itself and the acquirer <ol style="list-style-type: none"> i. Current and proposed shareholding pattern of the applicant. ii. Whether any past applications made to SEBI for seeking registration in any capacity and subsequently not granted if any then details thereof. iii. In case any action has been taken under SEBI (SCRA) (Regulation) Act, 1956 or SEBI Act, 1992, then the status of the action along with corrective action taken by it in order to avoid such violations in future. iv. The acquirer to confirm that it shall honour all past liabilities/obligations of the applicant if any. v. In case of any pending investor complaint, the steps 	In case of any change in control, the procedure laid down by the circular has to be followed.

	<p>taken and a confirmation that the acquirer shall resolve the same.</p> <p>vi. Details of litigations (if any)</p> <p>vii. A confirmation that all fees due to SEBI have been paid.</p> <p>viii. The applicant and the acquirer to provide a declaration cum undertaking (as per Annexure A of the Circular) duly stamped and signed by their authorized signatories.</p> <p>ix. A self-attested copy of NOC from all SE (in case of SBs) and depositories (in case of DPs).</p> <p>c. The prior approval granted by SEBI shall be valid for a period of 6 months from the date of such approval within which the applicant shall file application for fresh registration in connection with the change in control.</p> <p>2. Change in control that does not involve a scheme of arrangement:</p> <p>a. The application seeking approval to be filed with SEBI prior to the filing of application with the NCLT.</p> <p>b. If the SEBI is satisfied with the compliance of the applicable regulatory requirements, then it shall grant an in-principal approval.</p> <p>c. The in-principal approval shall be valid for three months from the date of issuance.</p> <p>d. Within 15 days from the NCLT order, the applicant must submit an online application as per para 1 above along with the following documents in order to obtain the final approval :</p> <p>i. Copy of NCLT order approving the scheme.</p> <p>ii. Copy of the approved scheme.</p> <p>iii. Statement of modifications if any in the approved scheme along with draft scheme and reasons for the modifications.</p> <p>iv. Details of compliance with the conditions/observations if any as mentioned in the in-principal approval.</p> <p>The circular dated August 02, 2011 has been superseded by way of the present circular.</p>	
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Review of timelines for listing of securities issued on private placement basis

- Circular can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
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<p>Issuers who have listed and/or propose to list Non-convertible Securities, Securitised Debt Instruments, Security Receipts or Municipal Debt Securities</p>	<p>SEBI vide circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 issued Operational Circular for issue and listing of Non-convertible Securities ('NCS'), Securitised Debt Instruments ('SDIs'), Security Receipts ('SRs'), Municipal Debt Securities ('MDS') and Commercial Paper ('CPs'). Chapter VII of the said operational circular laid down the provisions pertaining to the timelines for listing of NCS, SDIs, SRs and MDS issued on private placement basis.</p> <p>SEBI has by way of present circular brought about the following amendments in the said operational circular:</p> <ol style="list-style-type: none"> 1. A list of the steps involved, pre-listing and post-listing along with the relevant timelines have been included for both issue through EBP Platform and otherwise. 2. The timeline for listing has been reduced from T+4 to T+3 (T refers to the closure date). 3. Pursuant to Reg. 6 of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 timelines for making an application for in-principal approval to the Stock Exchanges ('SEs') where the issuer intends to list its securities and for receipt of in-principal from the SE have been incorporated. 	<p>If the Company intends to issue and list NCS, SDIs, SRs and Municipal Debt Securities on a private placement basis, on or after January 01, 2023, it must take note of the revised timelines for listing and ensure compliance with the list of steps involved.</p>
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Updated operational circular for listing obligations and disclosure requirements for NCDs, Securitised Debt Instruments and Commercial Paper

- Circular can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
<p>Issuers who have listed Non-convertible Securities, Securitised Debt Instrument, and/or Commercial Paper</p>	<p>SEBI had by way of the operational circular no. SEBI/HO/DDHS/DDHS Div1/P /CIR/2022/0000000103 dated July 29, 2022 ('the Operational Circular') compiled all existing circulars concerning the operational and procedural aspects of the continuous disclosure requirements for the issuers of Non-Convertible Securities ('NCS'), Securitised Debt Instruments ('SDIs'), and Commercial Papers ('CPs') as per the SEBI (LODR) Regulations, 2015 ('Listing Regulations').</p>	<p>No immediate actionable, Companies to take note of the said amendments.</p>

	<p>The Listing Regulations have been amended vide notification dated November 14, 2022, and reg. 59A and 94A with respect to Scheme(s) of Arrangement by entities who have listed their NCS have been inserted. Pursuant to the same, SEBI has now amended the Operational Circular and added a new Chapter XII that deals with operational aspects of Scheme of Arrangement by entities who have listed their NCS. The details of the requirements to be complied with including formats for reporting and certificates are given in Annex -XII-A to Annex -XII-E of Chapter XII.</p> <p>In addition to earlier circulars, the following circular has been superseded by the Operational Circular -</p> <ul style="list-style-type: none"> • Circular no. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2022/156 dated November 17, 2022, dealing with 'Scheme of Arrangement by entities who have listed their Non-convertible Debt securities (NCDs)/ Non-convertible Redeemable Preference shares (NCPRS)'. 	
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SEBI (Listing Obligations and Disclosure Requirements) (Seventh Amendment) Regulations, 2022

- Notification can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
All listed entities	<p>SEBI has, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Seventh Amendment) Regulations, 2022, amended reg. 102 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').</p> <p>A new sub-regulation (1A) has been inserted to provide that on an application made by the Central Government w.r.t. strategic disinvestment in a listed entity, SEBI can relax the strict enforcement of any of the provisions of the listing regulations. The relaxation will be made keeping in mind the interest of the investors and the securities market and for the development of the securities market.</p>	No immediate actionable, Companies to take note of the said amendments.

Clarification - Scheme of Arrangement by entities who have listed their Non-convertible Debt securities or Non-convertible Redeemable

Preference shares

- Circular can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
All entities who have listed their Non-convertible Debt Securities/ Non-convertible Redeemable Preference shares	<p>SEBI has by way of circular no. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/ 2022/156 dated November 17, 2022 on 'Scheme of Arrangement by entities who have listed their Non-convertible Debt securities ('NCDs')/ Non-convertible Redeemable Preference shares ('NCRPS')' laid down operational aspects with respect to the scheme of arrangement by entities who have listed their NCDs/ NCRPS.</p> <p>SEBI has by way of the present circular issued the following clarifications:</p> <ul style="list-style-type: none"> • Provisions of the said circular dated November 17, 2022 shall not apply to a Scheme of Arrangement that is solely between a debt listed entity and its unlisted wholly owned subsidiary. <p>Such a debt listed entity will be required to file the draft Scheme of Arrangement with Stock Exchange(s) for the purpose of disclosure and the Stock Exchange(s) must disseminate the scheme documents on their website.</p>	No immediate actionable, Companies to take note of the said amendments.

Foreign Investment in AIFs

- Circular can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
All AIFs	<p>Pursuant to Regulation 10(a) of SEBI (Alternative Investment Funds) Regulations, 2012, AIFs may raise funds from any investor whether Indian foreign or non-resident Indians, by way of issue units.</p> <p>In this regard, SEBI has by way of present circular specified some obligations to be ensured by the manager of an AIF. The manager should ensure the following:</p> <ol style="list-style-type: none"> 1. Foreign investor of the AIF is a resident of a country whose securities market regulator is a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding with SEBI. 2. The AIFs may accept commitment from an investor being Government or Government related investor, who does not meet the foresaid condition, if the investor is a resident in the 	Companies which are Investment Managers/ Sponsors of an AIF, should take note of the circular and ensure the investors are in compliance with the criteria.

	<p>country as may be approved by the Government of India.</p> <p>3. The investor or underlying investors contributing 25% or more in the corpus of the investor or identified on the basis of control is not a person(s) mentioned in the Sanctions List notified from time-time by the United Nations Security Council and not a resident in the country identified in the public statement of FATF as a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures may apply and jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with FATF to address the deficiencies.</p> <p>4. In case an investor has on boarded to a scheme of an AIF and subsequently ceased to meet the foresaid criteria then the manager of the AIF should not drawdown any further capital contribution from such investor for making the investor until the investor again meets the criteria again. The same will also apply to an investor who has on boarded to a existing scheme of AIFs who fails to meet the criteria.</p>	
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Performance benchmarking and reporting of performance by portfolio managers

- Circular can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
Portfolio Managers	<p>SEBI had vide circulars SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020 and SEBI/HO/IMD/DF1/CIR/P/2021/02 dated January 08, 2021 specified various modalities including reporting of performance/ periodic reporting by Portfolio Managers.</p> <p>In order to help investors in assessing the performance of a Portfolio Manager, the applicable requirements related to performance reporting and benchmarking by Portfolio Managers has been reviewed under the present circular and are dealt with in para 2.1 to para 2.15 of the circular.</p>	<p>Companies which are SEBI Registered Portfolio Managers, should take note of the said circular and take necessary steps for implementing the circular including putting required processes and systems in place to ensure compliance with the provisions of this</p>

	All other requirements of the circulars dated January 8, 2021 and February 13, 2020 remain unchanged.	circular.
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Clarification on enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence

- Circular can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
Issuers who have listed and/or propose to list Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities or Commercial Paper.	<p>SEBI had by way of circular no. SEBI/HO/DDHS/DDHS Div1/P/CIR/2022/ 106 dated August 04, 2022 issued enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence.</p> <p>SEBI has by way of the present circular clarified that:</p> <ul style="list-style-type: none"> • change in underlying security; • creation of additional security; or • creation of security in case of unsecured debt securities. <p>would not constitute a change in the structure of the Non-Convertible Debt Securities ('NCDS'), provided that are no other changes to the terms/ nature of issue of the NCDS like maturity date, coupon rate, face value, redemption schedule, nature of the NCDS (secured/ unsecured) etc.</p> <p>Accordingly, depositories will not assign a new ISIN in such cases.</p> <p>However, where there is a change in the underlying security, the debenture trustee shall ensure compliance with the provisions of reg. 15(1)(i) of SEBI (Debenture Trustees) Regulations, 1993.</p>	Companies which are debt-listed entities, to take note of the clarifications issued by SEBI.

Guidance note on inclusion of 'Objects of the Issue' in case of preferential issue and QIP under chapter V and VI of SEBI (ICDR) Regulations, 2018

- Notification can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
All entities who have listed its specified	SEBI has by way of SEBI (ICDR) (Fourth Amendment) Regulations, 2022 dated November 21, 2022 has inserted reg. 162A and 173A in the SEBI (ICDR)	No actionable. Companies should take note of the guidance

<p>securities in BSE and/ or NSE</p>	<p>Regulations, 2018. The new regulations mandate the requirement of appointing a Credit Rating Agency ('CRA') as the Monitoring agency for monitoring the utilisation of the funds issued through preferential issue and Qualified Institutional Placement ('QIP') if the issue size exceeds one hundred crore rupees.</p> <p>In order to ensure uniformity and enhance clarity in the disclosure of objects of the issue so that the CRAs can effectively monitor the utilisation of issue proceeds, the stock exchanges have issued the following guidelines for disclosing the object of issue in their placement document and notice to the shareholders, as the case may be:</p> <ol style="list-style-type: none"> 1. The purpose for which fund is proposed to be raised shall be disclosed under the separate heading titled 'Object of the issue'. 2. Each object of the issue, for which funds are proposed to be raised must be stated clearly and should not be open ended/ vague. 3. The amount of funds proposed to be utilised against each of the object must be stated clearly. 4. In case of difficult to quantify the exact amount of fund to be used, a broad range of amount (along with reasons for the estimation) must be provided. The broad range should be a realistic estimation and range gap should not exceed +/- 10% of the amount specified for that object of issue size. 5. Total amount of issue size allocated for different objects of the issue must together be used only for the object of the issue as specified in the placement document/ notice to shareholders and same cannot be added to General Corporate Purposes ('GCP'). 6. The tentative timeline for utilisation of issue proceeds for each of the object shall be clearly stated. Till the time the issue proceeds are fully utilised, the issuer must also disclose the mode in which such funds will be kept. 7. The fund to be used for GCP if any, must not exceed 25% of the funds to be raised under the current issue. <p>The stock exchanges will be verifying compliance with</p>	<p>note issued.</p> <p>This guidance note will be applicable to all QIP and Preferential Issues which are approved by the BOD of the issue on or after the date of issuance of the note i.e., December 13, 2022.</p> <p>Our snippet on the said topic can be accessed at: https://vinodkothari.com/2022/11/monitoring-agency-now-mandatory-in-case-of-preferential-issue-qip-icdr-amendment/</p>
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	the aforesaid disclosure requirements at the time of processing the application filed by the issuers under reg. 28(1) of the Listing Regulations for seeking in-principle approval of the Exchange before making allotment of securities.	
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FAQs on disclosure of holding specified securities in dematerialized form

- Notification can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
All entities who have listed their specified securities on BSE and/or NSE	<p>Reg. 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') mandates listed entities to submit to the designated stock exchange a statement showing the holding of securities and shareholding pattern for each class of securities in the format specified by SEBI. Such disclosures have to be made on a quarterly basis and in case of a capital restructuring resulting in a change exceeding 2% of the total paid-up share capital.</p> <p>In this regard, the stock exchanges have issued FAQs which broadly deals with the following queries:</p> <ol style="list-style-type: none"> 1. In the event of demise of an individual belonging to promoter/ promoter group: <ul style="list-style-type: none"> • Where he shares held by such individual are not transmitted to the legal heir as on the end of the quarter - the company to disclose detailed notes for the same in the shareholding pattern. • Upon transmission of the shares to the legal heir, name of the deceased individual must be excluded from the forthcoming shareholding pattern and the name of legal heir must be included along with detailed notes about the transmission of shares. • Till the time shares are not transmitted to the legal heir, the name of deceased person must be included in shareholding pattern. 2. Where the list of promoter/ promoter group includes a Company that has been wound up or dissolved or has been struck off by ROC, the Company should mention detailed note on the same while filing shareholding pattern from forthcoming quarter. Where a shareholder has 	No immediate actionable. Companies to take note of the FAQs.

	<p>already been disclosed in Table II (under the category of promoter and promoter group) and also falls into one of the categories in Table III (public shareholder), his/ her name should not be disclosed again in Table III.</p> <ol style="list-style-type: none"> 3. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order prescribed in the format. Shareholding under any of the categories should be unique and must not be duplicated under multiple categories. 4. In case any shareholder category comprises of multiple sub-categories, the shareholding (no. of shares) under each sub-category needs to be separately included under the respective sub-categories. 5. The name of a promoter can be removed only after seeking approval of reclassification from the stock exchange. Meanwhile, companies shall continue to show the promoters/promoter group with nil shareholding till the approval for reclassification is granted from stock exchange. 6. Where the Company does not have significant beneficiary owner as defined under Section 90 of the Companies Act 2013, in declaration sheet the Company must select "No". 7. Where the promoter & promoter's group consists of trust or HUF then Company needs to enter the name of trustee or Karta respectively in the bracket. 	
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Filing of equity announcements and financial results to NSE through the NEAPS platform

- Circular can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
Entities who have listed their specified securities on NSE.	<p>NSE had by way of Circular No: NSE/CML/2022/03 dated January 06, 2022 launched the new digital portal NSE Electronic Application Processing System ('NEAPS') for submitting various disclosures.</p> <p>By way of the present circular, NSE has mandated that listed entities file disclosures pertaining to the equity</p>	Companies which have listed its specified securities on NSE, must ensure that with effect from December 17, 2022 all disclosures pertaining to the equity

	<p>announcements subjects and financial results only on the NEAPS Portal in the same manner as it was available on the NEAPS platform during phase – 1 in the month of February, 2022.</p> <p>NSE has further clarified that:</p> <ol style="list-style-type: none"> 1. In case of outcome of board meetings that has only financial results as agenda item i.e. quarterly/half yearly/annual financial results the same is to be filed by way of a PDF file in the Quick Results module on NEAPS. 2. For outcome of board meeting with multiple agenda item along with financial results the same will have to be filed under both announcement and quick result module on NEAPS. <p>The XBRL submission for financial results should be filed under Full Results module on NEAPS.</p>	<p>announcements subjects and financial results are filed only on the NEAPS Portal as directed by NSE.</p>
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Submission of Aadhar numbers in the announcements/offer documents submitted to the stock exchange

- Circular can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
All listed entities	<p>Section 29(4) of the Aadhar Act, 2016 (as amended in 2019), provides that ‘no Aadhar number or demographic information or photograph collected or created under the Aadhar Act is to be disclosed publically except for the purpose specified in the Aadhar Act. Further, the Acts and Rules governing the organisation/institution that mandate the requirement of publishing Aadhar information, shall be published in masked form.’</p> <p>In this regard, the Stock Exchanges (‘SEs’) have issued the following directions with respect to disclosure of Aadhar related information:</p> <ol style="list-style-type: none"> 1. The SEs have observed that listed entities disclosing certain Aadhar numbers/ Aadhar cards in their announcements specifically in newspaper publications: In such cases, entities should only disclose the newspaper clipping related to itself and should abstain from submitting the entire page of 	Companies to take note of the circular and abstain from disclosing such Aadhar number/Aadhar related information in its announcements and other public document.

	<p>the newspaper containing other details.</p> <p>2. Entities proposing to list any of their securities are disclosing Aadhar numbers/ Aadhar related information in the offer documents submitted. In this regard the SEs have directed that the Aadhar number/ Aadhar information of the promoters/others as required under the applicable SEBI regulations are to be provided to the SEs separately and not disclosed in the draft offer document/offer document/any other public document.</p>	
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Revised SOP on application filed under reg. 37 and reg. 59A of SEBI (LODR) Regulations, 2015

- Circular can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
All listed companies	<p>Reg. 37 and 59A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') deal with Scheme of Arrangements to be filed by equity and debt listed entities respectively.</p> <p>The Stock Exchanges ('SEs') have revised their existing SOP w.r.t Scheme of Arrangements The additional requirements prescribed under the revised SOP are enlisted below:</p> <p>1. Timeline to submit the Scheme of Arrangement in order to obtain NOC from SEs:</p> <ul style="list-style-type: none"> • The draft scheme of arrangement along with all other documents as prescribed under the exchange checklist to be submitted to the SEs within 15 working days of board meeting approving the draft scheme. • In case of failure to file the application within 15 working days fresh approval from the board considering fresh financials, valuation report etc., will be required. <p>2. Audited financials of unlisted company to be considered for valuation</p> <ul style="list-style-type: none"> • Where an unlisted company is involved in the Scheme of Arrangement then the financials statements of the preceding 3 years (financials 	No immediate actionable, Companies to take note of the revised SOP.

not older than 6 months) of such Company to be submitted.

- The said financials should also be considered for the preparation of valuation report by the valuer under the income approach.
- The audited financials considered for valuations, other than Income Approach, should not be older than 3 months.
- The board must consider the scheme of arrangement within 7 working days of the issuance of valuation report.
- At the time of providing its observation letter, SEs to seek an undertaking from the listed entity that the financials of the unlisted company will not be more than 6 months old at the time of submission of the scheme papers to NCLT

3. Documents to be submitted to the SEs along with the application

- For equity listed entities: all documents listed under the Para (I) (A) (2) of the [SEBI Master Circular](#) dated November 23, 2021.
- For debt listed entities: all documents listed under para (I) (A) (2) of the [SEBI circular](#) dated November 17, 2022 as updated on December 01, 2022.
- Equity listed entities that are also debt listed are required to submit a single copy of the draft scheme of arrangement in terms of reg. 37 and reg. 59A of the Listing Regulations and additional documents, as required for debt listed entities to be submitted.

4. Response to queries raised by SEs:

- If the documents submitted are incomplete or where the SEs need of clarifications or there are any material inadequacies/non-compliance with the SEBI Circulars then such scheme of arrangement will be returned to the company for necessary rectifications.
- The Company can make necessary rectifications and submit the same to the designated stock

	<p>exchange within 7 working days</p> <ul style="list-style-type: none"> • If the Company is unable to make submissions within the said period of 6 working days, then on the expiry of the said period the fees paid by the company for processing of the application will be forfeited and the scheme of arrangement will be returned to the company. • Debt listed entities must submit their revert to queries raised as early as possible, to enable adherence to requirement of 'maximum number of days • for providing the 'No-Objection' Letter to SEBI shall not exceed thirty days from the date of receipt of the draft scheme of arrangement' • Where appropriate responses are not received by the SEs within the timelines, the Company may be asked to re-file the scheme with requisite rectifications as a fresh application and any fees paid by the Company for processing of the application shall be forfeited. <p>Refiling done because of the previous unsatisfactory filing has to be done along with fresh set of valuation report, fairness opinion, recommendation of the audit committee, etc., the company will be required to pay fresh fees.</p>	
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New forms to be launched on the MCA21 V3 portal

- Notification can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
All companies	<p>MCA is launching the second set of Company Forms on the MCA21 V3 portal, in two tranches.</p> <p>First, 10 forms will be launched on January 09, 2023 at 12:00 AM and then 46 forms will be launched on 23rd January, 2023.</p> <p>To facilitate implementation of these forms in V3 MCA21 portal, MCA has laid down the following guidelines:</p> <ol style="list-style-type: none"> 1. Company e-Filings on V2 portal will be disabled from January 07, 2023 12:00 AM to January 08, 2023 11:59 pm for the 10 forms will be rolled-out on 	Companies to take note of the new forms to be launched in MCA21 V3 portal and plan their form filing accordingly.

	<p>January 09, 2023.</p> <ol style="list-style-type: none"> 2. Company e-Filings on V2 portal will be disabled from January 07, 2023 12:00 AM to January 22, 2023 11:59 pm for 46 forms which are planned for roll-out on January 23, 2023. 3. Companies to ensure that there are no SRNs in pending payment and resubmission status. 4. Offline payments for the said 56 forms in V2 using 'Pay later' option will be stopped from December 28 2022 12:00 AM. Payments for these forms in V2 will have to made through online mode only. 5. The V3 portal will not be available from January 07, 2023 12:00 AM to January 08, 2023 11:59 pm and from January 21, 2023 to January 22, 2023 <p>V2 Portal for company filing will remain available for all other forms excluding above mentioned 56 forms.</p>	
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Clarification on holding Annual General Meeting (AGM) through Video Conference or other Audio Visual Means (OAVM)

- Notification can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
All companies	<p>MCA had by way of General Circular dated May 05, 2022 allowed the Companies to conduct their AGM through video conference or other audio visual means (OAVM) till on or before December 31, 2022.</p> <p>Further by the way of present circular, the Companies whose AGMs are due in the year 2023 can conduct their AGM on or before September 30, 2023 through video conferencing (VC) or other audio visual means (OAVM) in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular dated May 05, 2020.</p> <p>Further, it is clarified that the General Circular shall not be construed as conferring any extension of time for holding of AGMs by the Companies under the Companies Act, 2013 and the Companies shall be liable to legal action if it fails to adhere with the relevant timelines to conduct the AGM.</p>	No immediate actionable, Companies may, if it so desires, conduct its Annual General Meeting (AGM) through video conferencing or other audio-visual means (OAVM) on or before September 30, 2023.

Clarification on holding Extra Ordinary General Meeting (EGM) through Video Conferencing or other Audio Visual Means (OAVM)

- Notification can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
All Companies	<p>MCA had by way of dated General Circular dated May 05, 2022 allowed the Companies to conduct their Extra Ordinary General Meeting (EGM) through video conference or other audio visual means (OAVM) till on or before December 31, 2022.</p> <p>Further by the way of present circular, the Companies to conduct their EGMs through to conduct their EGM through video conference or other audio visual, means (OAVM) or to transact items through postal ballot up to September 30, 2023 in accordance with framework provided in previous circulars.</p>	No immediate actionable, Companies may, if it so desires, conduct its Annual General Meeting (AGM) through video conferencing or other audio-visual means (OAVM) on or before September 30, 2023.

Our articles of corporate interest

2022 Wrapped Up: Regulatory review of corporate law developments

- **Payal Agarwal, Assistant Manager**

2022 has been a relatively stable year when it comes to Companies Act, save changes in the forms and filing procedures with increasing online processes, there has been significant traction on the part of SEBI. While Structured Digital Database remained the buzzword for the listed entities with the stock exchanges requiring them to submit quarterly compliance certificates, the stress for proper controls on insider trading remained the focal point. For social enterprises, a landmark development was the introduction of the concept of Social Stock Exchanges, which seems to be shortly getting into operational mode. In this article, the author has tried to briefly cover the major developments in corporate laws during the year 2022. Also see our video on the topic [here](#).

Regulatory developments in Insolvency and bankruptcy law in 2022 – a quick round-up

- **Sikha Bansal & Barsha Dikshit, Partner**

IBC, in a very short span of its life, has undergone multifarious amendments. In 2022, there were no amendments in the Code, but almost all regulations were amended. Majority of the amendments aimed at compressing the timelines. Few other amendments filled the gaps in law and provided clarity. A quick snapshot of the key changes introduced in the CIRP regulations, Liquidation regulations, voluntary liquidation regulations and IP regulations, in the year 2022 is discussed in the article. A brief discussion on the same can be seen in our video [here](#).

FAQs on Overseas Investment

- **Team Corplaw**

Setting up subsidiaries, making investments outside India by an Indian company, LLP, resident individual or pooled investment vehicles is very common. As it results in creation of asset or liability outside India in favour of a person in India, it becomes a capital account transaction. In this regard, in these FAQs, we have tried to collate all the compliance requirements applicable to the persons resident in India while making investments outside India including the conditions of making investments, approval and reporting requirements

Section 2: Financial Sector Updates

Migration of reporting of payment frauds from Central Payments Fraud Information Registry to DAKSH

- Notification can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
<p>All Banks, Non-Bank Payment System Operators (PSO) and Credit Card issuing NBFCs</p>	<p>RBI operationalized the Central Payments Fraud Information Registry (CPIFIR) in March, 2020 and mandated the reporting of payment frauds by scheduled commercial banks and non-bank prepaid payment instrument (PPI) issuers.</p> <p>In order to streamline the reporting, enhance the efficiency and to automate the payments fraud management process, the fraud reporting module is being migrated to DAKSH – Reserve Bank’s Advanced Supervisory Monitoring System.</p> <p>The entities should commence reporting of payment frauds in DAKSH w.e.f January 01, 2023. The gist of the reporting guidelines is listed below:</p> <ul style="list-style-type: none"> • All RBI authorised Payment System Operators (PSOs) / providers and payment system participants operating in India are required to report all payment frauds, including attempted incidents, irrespective of value, either reported by their customers or detected by the entities themselves. This reporting was earlier facilitated through Electronic Data Submission Portal (EDSP) and is being migrated to DAKSH. • The responsibility to submit the reported payment fraud transactions shall be of the issuer bank / PPI issuer / credit card issuing NBFCs, whose issued payment instrument has been used in the fraud. • In order ensure authenticity and completeness, the entities should validate the payment fraud information reported by the customer in their 	<p>In case a company is a credit card issuing NBFC, Bank or a non-bank payment system operator, it should take note of the migration of reporting of payments frauds to DAKSH and to report any payment related fraud only through the DAKSH w.e.f January 01, 2023.</p>

	<p>own systems before reporting the same to RBI on individual transaction basis.</p> <ul style="list-style-type: none"> • Entities are required to report payment frauds (domestic and international) to CPFIR as per the specified timelines (currently within 7 calendar days from date of reporting by customer / date of detection by the entity). • Entities may continue to report payment frauds as per the extant reporting format using the bulk upload facility in DAKSH or report individual payment frauds online using the screen-based facility under the Incident Module of the DAKSH platform. <p>The format of reporting the payment fraud will be same.</p>	
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IRDAI (Insurance Intermediaries) (Amendment) Regulations, 2022

- Notification can be viewed [here](#)

Applicability	Amendment	Actionables and timelines, if any
IRDAI registered Corporate Agents	<p>IRDAI has by way of the IRDAI (Insurance Intermediaries) (Amendment) Regulations, 2022 amended reg. 3 of the (Registration of Corporate Agents) Regulations, 2015 ('Corporate Agent Regulations') dealing with the scope and applicability of the Corporate Agent Regulations.</p> <p>The highlights of the amendments are as follows:</p> <ol style="list-style-type: none"> 1. A Corporate Agent (Life) can have arrangements with a maximum of 9 life insurers to solicit, procure and service their insurance products. 2. A Corporate Agent (General) can have arrangements with a maximum of 9 general insurers. Further, a Corporate Agent (General) can solicit, procure and service retail lines of general insurance products and commercial lines of such insurers having a total sum insured not exceeding Rs. 5 crores per risk for all insurances combined. 3. Corporate Agent (Health) can have arrangements with a maximum of 9 health insurers. 4. In the case of Corporate Agent (Composite), the conditions as specified above will apply i.e. 9 	<p>Companies which are IRDAI registered Corporate Agent should take note of the increase in the limit of the number arrangements it can enter into.</p> <p>Read our article on this amendment at-</p> <p>https://vinodkothari.com/2022/12/irdai-does-comprehensive-liberalisation-of-insurance-regulations/</p>

	<p>arrangements in each category.</p> <p>Further, a Corporate Agent (Composite) can have arrangements with insurers in excess of the limits prescribed subject to the condition that the total number of arrangements with life, general and health insurers, shall not exceed 27 at any point of time (new requirement)</p>	
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Our articles of financial interest

2022 in retrospect: Regulatory activity in the Financial Sector

- Vinod Kothari, Managing Partner

It has been a brisk year in terms of activity – a busy regulator kept all regulated entities busier. This year marked the initiation of a new SBR framework for NBFCs – hence there was a lot of buzz in terms of understanding the new regulatory framework. The names of 16 Upper layer entities were declared by the RBI – consisting of 5 HFCs, 10 NBFC-ICCs, one CIC. As is the design, UL entities are treated at par with banks in terms of regulatory intensity – hence, there is a LEF (large exposure framework), differential provisioning norms in case of standard assets, CET-1 capital requirement, mandatory listing etc. In this article, the author has tried to delve into the various regulatory activities in the financial sector.

Regulatory framework for Online Bond Platform

- Abhirup Ghosh, Principal Advisor

Securities and Exchange Board of India on November 14, 2022, notified the circular, 'Registration and regulatory framework for Online Bond Platform Providers' for regulating online bond trading platforms, applicable immediately. The notification comes in the backdrop of several unregulated online platforms offering services relating to dealing and transfer of listed/ unlisted securities between investors (mostly non-institutional). On the path to introduce the regulatory framework, the SEBI first issued Consultation Paper on Online Bond Trading Platforms – Proposed Regulatory Framework on June 21, 2022 ('Consultation Paper'), a detailed write up on which can be found in another article named, 'SEBI proposes to regulate private debt platforms'. After gathering comments from public, the SEBI issued a couple of notifications – the first one is SEBI (Issue and Listing of Non-Convertible Securities) (Second Amendment) Regulations, 2022 ('Amendment Regulation') on November 09, 2022 to bar the intermediaries from facilitating transactions in listed debt securities without a stock broker license, and second one is the aforementioned Circular, which is the subject matter of discussion in this case. In this article, the author has tried to discuss the implications of the Circular.

CERSAI beyond SARFAESI – The multi-faceted effects of security interest registration

- Sikha Bansal, Partner and Anirudh Grover, Executive

The rights of secured creditors are spread across various laws: common law, Companies Act, Insolvency and Bankruptcy Code and the SARFAESI Act. In equal measure, the preconditions which are the requisites to assert these rights are also spread over those very laws. It is lamentable that the security interest registration regime in India is fragmented, without any obvious sense of purpose or direction. Not only do multiple laws require registration of security interests, other essential information about credit facilities – such as the performance or non-performance of the borrower also require multiple registrations.

The Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) is one such central registry set up under the SARFAESI Act. While the provisions relating to CERSAI had been there ever since SARFAESI came into existence; however, the relevance of CERSAI registration gained momentum pursuant

to certain substantial amendments to SARFAESI in the year 2016. Further, there have been recent developments recently, importantly the RBI's decision to link the holding period of loans before their assignment or securitization to CERSAI registration, under the RBI Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 and Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021. These developments will, admittedly, give a significant push to CERSAI registration.

Hence, this write up captures the relevance and the upsides of CERSAI registration and downsides of non-registration.

The sale of season: Holding period requirements for assignments and securitisation

- Team Finserv

Any sale or assignment or transfer, including securitisation, of loans is subject to a minimum seasoning with the originator. Under the extant regulatory provisions, such requirement is referred to as 'Minimum Holding Period' (MHP), which means the minimum period for which the originator should have held the loan exposures before the same is transferred to the transferee or Special Purpose Entity (SPE), as the case may be. This serves several purposes: that the loan was not originated for sale, the originator has had some equity in the loans, and that there is a benefit of hindsight of performance.

MHP requirements have always been a part of the regulations in India. However, on December 5, 2022, the Reserve Bank of India (RBI) made certain amendments to the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 ('TLE Directions') as well as the Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 ('SSA Directions'). Among the other changes, there was a change in the MHP provisions; this change may have a significant impact on future transactions.

This write-up intends to clarify the position with respect to the computation of MHP for different types of loans under TLE Directions as well as SSA Directions.

RBI amends TLE Directions

- Team Finserv

The Reserve Bank of India made certain amendments to the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 on December 05, 2022. The long-awaited welcome move of allowing ARCs to acquire loans falling in 1-60 DPD as well is being well appreciated. Some of the changes seem to be creating a confusion; say not allowing foreign branches of Indian banks to acquire defaulted loans; while others, seem to be providing more clarity; such as clarifying that registration of security interest for the purpose of computing MHP shall mean registration of security interest with CERSAI only. This write-up intends to clarify the changes introduced by the RBI and their impact.

Section 4: Special Mentions



Mr. Vinod Kothari
Managing Partner

- Session on the topic 'Voluntary Liquidation under IBC' on 07th December, 2022. It was organized by ICSI-IIP.



Ms. Pammy Jaiswal
Partner

- Session on the topic 'Recent amendments under LODR and maintenance of SDD' on 04th December, 2022. It was organized by Terapanth Professional Forum.
- Session on the topic 'Amended Framework under SEBI (LODR) for appointment and removal of IDs and Maintenance of SDD' on 17th December, 2022. It was organized by Madhya Kolkata Study Circle for Members of ICSI-EIRC.



Ms. Barsha Dikshit
Partner

- Session on the topic 'Voluntary Liquidation under IBC' on 07th December, 2022. It was organized by ICSI-IIP.



Ms. Anita Baid
Vice President

- Session on the topic 'Emerging Regulatory Framework for NBFCs' on 04th December, 2022. It was organized by Terapanth Professional Forum.



Ms. Anushka Vohra
Manager

- Session on the topic 'Whistle Blower Policy: Letter and Spirit vs. Effectiveness' on 08th December, 2022. It was organized by ASSOCHAM.



Ms. Payal Agarwal
Assistant Manager

- Session on the topic 'Amended Framework under SEBI (LODR) for appointment and removal of IDs and Maintenance of SDD' on 17th December, 2022. It was organized by Madhya Kolkata Study Circle for Members of ICSI-EIRC.

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“Focus on capabilities, opportunities follow”