

VINOD KOTHARI & COMPANY

VINOD KOTHARI CONSULTANTS PRIVATE LIMITED

August 2023

CORPORATE and SECURITIES LAWS	FINANCIAL SERVICES	RESOLUTION AND INSOLVENCY LAWS
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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 August, 2023. 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 tejasvi@vinodkothari.com

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1. Company (Incorporation) Second Amendment Rules, 2023

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Date of Notification/ circular	Effective from	Companies on which applicable	Particulars	Impact on the Company / Actionable, if any
Reserve Bank of India				
1. Reserve Bank of India Act, 1934 Section 42(1A)-Requirement for maintaining additional CRR				
August 10, 2023	August 12, 2023	Scheduled Commercial Banks	<p>A directive under Section 42(1A) of the Reserve Bank of India Act, 1934 requiring all Scheduled Commercial Banks to maintain with the Reserve Bank of India an incremental CRR (I-CRR) of 10 per cent on the increase in Net Demand and Time Liabilities ('NDTL') between May 19, 2023 and July 28, 2023 has been issued.</p> <p>The I-CRR will be reviewed on September 8, 2023 or earlier.</p>	<p>In case of a Scheduled Commercial Bank shall maintain with the Reserve Bank of India, the following;</p> <ul style="list-style-type: none"> • an additional average daily balance over and above the average daily balance required to be maintained under sub-section (1) of Section 42; and • that the amount of such additional average daily balance shall not be less than 10 per cent of the increase in net demand and time liabilities between May 19, 2023 and July 28, 2023.

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2. Implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005: Designated List (Amendments)				
<u>August 18, 2023</u>	Immediate Effect	<ul style="list-style-type: none"> • Banks • NBFCs, • Payment Service Providers, • All India Financial Institutions. 	<p>In terms of Section 53 of the MD on KYC, the Company needs to verify every day, the ‘UNSCR 1718 Sanctions List of Designated Individuals and Entities and also to be updated about any modifications to the list in terms of additions, deletions or other changes if any. Thereby there have been certain amendments to the previous circular dated July 04, 2023 in the Sanctions List of individuals and entities, because of which there have been certain amendments in the “designated list”.</p> <p>The latest version of the UNSC Sanctions lists on DPRK & Iran are accessible on the UN Security Council’s website at the following URLs:</p> <ol style="list-style-type: none"> 1. https://www.un.org/securitycouncil/sanctions/1718 2. https://www.un.org/securitycouncil/content/2231/list 	The Company to take note of the above circular and ensure compliance with the same.
3. Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans				
<u>August 18, 2023</u>	The provisions of this circular shall extend to the existing as well as new loans suitably by December 31, 2023.	<ul style="list-style-type: none"> • Scheduled Commercial Banks • NBFCs including HFCs 	<p>RBI has introduced new regulations for rate-based variations in floating rate loans, requiring lenders to mandatorily provide 6 options to borrowers. The new regulations vide the present circular; will require all long-term consumer credit lenders, mainly home lenders, to incorporate changes in their policies and agreements by the end of the calendar year.</p> <p>The Regulated Entities are advised to put in place an appropriate policy framework meeting the following requirements for implementation and compliance namely,</p> <ol style="list-style-type: none"> 1. The company at the time of sanction of the loan shall communicate to the borrower very clearly the impact of change in benchmark interest rate, the EMI and the tenor. 2. Every increase in EMI or tenor shall be communicated to the borrower. 3. Provision of option to the borrower at the time of switching over to a fixed rate as per their Board approved policy. 	<p>The Company is required to ensure compliance with the said circular.</p> <p>Our articles on the subject can be accessed here:</p> <ol style="list-style-type: none"> 1. <u>RBI streamlines floating rate reset for EMI-based personal loans</u>

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			<p>a. The company to provide explicitly in the policy the number of times the borrower can exercise the option of switchover.</p> <p>4. The company shall give the borrower two options:</p> <p>a. enhancement in EMI or elongation of tenor or for a combination of both</p> <p>b. Prepay, either in part or in full, at any point during the tenor of the loan.</p> <p>5. The company to disclose the sanction letter</p> <p>a. All applicable charges for switching of loans from floating to fixed rate</p> <p>b. Any service charges/ administrative costs incidental to the exercise of the above options</p> <p>c. The company ensures that any elongation of tenor in case of floating rate loan does not lead to negative amortization.</p> <p>6. The company shall communicate to the borrower a statement at the end of each quarter enumerating</p> <p>a. the principal and interest recovered till date,</p> <p>b. EMI amount,</p> <p>c. number of EMIs left and</p> <p>d. Annualized rate of interest / Annual Percentage Rate (APR) for the entire tenor of the loan.</p>	<p>2. FAQs on Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans</p>
4. Fair Lending Practice - Penal Charges in Loan Accounts				
August 18, 2023	January 1, 2024	<ul style="list-style-type: none"> • Commercial Banks • NBFCs • All India Financial Institutions. 	<p>RBI vide the present circular has issued guidelines for the regulation and enhanced disclosure of penal interest, as presently governed by the respective board approved policies of the RE.</p> <p>Clarifying the intent of levy of penal charges/interest, which is to inculcate a sense of credit discipline the circular provides the following:-</p> <p>1. The penalty levied on the non-compliance of the loan agreement shall be penal charges and not in the form of penal interest (i.e an addition of the interest).</p>	<p>The Company shall ensure compliance with the said circular.</p> <p>o FAQs on Penal Charges in Loan Accounts.</p>

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			<ol style="list-style-type: none"> 2. There shall be no capitalization of the penal charges (i.e they shall not be added to the principle outstanding). Further, no additional component of interest shall be introduced in order to recover the penal charges implicitly. 3. The quantum of penal charges shall be in proportion to the non-compliance and shall not be discriminatory with the same category of loan product. 4. The RE shall formulate a Board approved policy for the levy of such charges. 5. The penal charges levied on the individual borrowers for purposes other than business should not be higher than those levied on the non-individual borrowers for similar non-compliances. 6. The quantum and reason of the penal charges are required to be disclosed in the loan agreement and the KFS, in addition to being published on the website. 7. Reminders in respect of non-compliance of terms and conditions shall be accompanied by the disclosures of the applicable penal charges and the instances and reasons for their levy. 	<ul style="list-style-type: none"> ○ Penal charges not a cash-cow for lenders ○ Regulations for Floating Rate Reset & Penal Charges - YouTube ○ Penal Charges get regulated; cannot accrue interest

Securities and Exchange Board of India

5. Online resolution of disputes in the Indian securities market dated July 31st 2023 and corrigendum cum amendment to circular dated [August 04, 2023](#)

July 31, 2023	Immediate effect	<ul style="list-style-type: none"> • Depository Participants • Listed entities • SEBI Registered Intermediaries 	<p>In order to streamline the existing dispute resolution mechanism, SEBI has introduced a common Online Dispute Resolution Portal ('ODR Portal') which harnesses online conciliation and online arbitration for resolution of disputes.</p> <p>The disputes between the investors/ clients and the listed companies/ specified intermediaries will be resolved on the ODR Portal and by harnessing online conciliation and/or online arbitration as specified in this circular.</p> <p>Disputes between institutional or corporate clients and specified intermediaries / regulated entities in securities market can be resolved, at the option of the institutional or corporate clients:</p>	Company to take note of the circular issued and ensure compliance with the same.
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Date of Notification/ circular	Effective from	Companies on which applicable	Particulars	Impact on the Company / Actionable, if any
			<p>a. in accordance with this circular and by harnessing online conciliation and/or online arbitration as specified in this circular; OR</p> <p>b. by harnessing any independent institutional mediation, conciliation and/or online arbitration institution in India</p> <p>The circular provides detailed guidance on the following:</p> <p>a. Procedure to initiate the dispute resolution process;</p> <p>b. Features of the ODR platform and allocation system;</p> <p>c. Procedure for online conciliation and arbitration;</p> <p>d. Fees and charges involved dispute resolution on the ODR portal, etc.</p> <p>The actionable on part of the listed companies/ specified intermediaries are as follows:</p> <p>a. The listed companies/ specified intermediaries are required to enroll on the ODR Portal within August 15, 2023. The enrollment process shall also include executing electronic terms/agreements with MIIs and the ODR Institutions. In case, they are not registered, they shall be deemed to be registered at the end of such specified timeline.</p> <p>b. The listed companies/ specified intermediaries are also required to display a link to the ODR Portal on the home page of their websites and mobile apps.</p> <p>c. All existing agreements, contractual frameworks or relationships entered into by the listed entity/specified intermediaries with investors/clients in the Indian Securities market or entered into hereafter shall stand amended or be deemed to incorporate provision to the effect that the parties agree to undertake online conciliation and/or online arbitration by participating in the ODR Portal and/or undertaking dispute resolution in the manner specified in this Circular.</p> <p>d. While redressing investor complaints, the communications by the listed entity/ specified intermediaries to the investors/clients shall clearly specify, the availability of the SCOREs portal and the ODR Portal to the investor/clients and that the same could be accessed by such investor/clients if unsatisfied with the response (or the lack thereof)</p>	

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			<p>e. The listed entity/ specified intermediaries to duly train their staff in attending to complaints/disputes and in handling the references arising from the SCOREs portal or the ODR Portal, and in participating in online conciliation and arbitration.</p> <p>f. SEBI may require the listed entity/ specified intermediaries to maintain such level of interest-free deposit with the MIIs or with the concerned designated body identified vide the revised SCOREs guidelines and shall be such sums that it considers necessary and appropriate for honoring of any arbitral awards or amounts payable pending initiation of arbitration or challenge to an arbitral award.</p> <p>The list of circulars superseded is given in para 49 of the circular.</p>	
6. Facility to remedy erroneous transfers in demat account				
<u>August 08, 2023</u>	<p>The requirement for providing a verification facility as stated herein shall come into effect from January 1, 2024.</p> <p>The other requirements stated in the circular shall come into force with immediate effect i.e. from</p>	<ul style="list-style-type: none"> • All Recognized Depositories • All Depository Participants through recognized Depositories. 	<p>Considering the challenges involved in obtaining OTP in case of reversal of erroneous transfers in the demat accounts, and in order to facilitate the reversal of erroneous transfers, it is decided that a well-balanced and operational mechanism for exemption from OTP may be provided for reversal of such erroneous transfers in the demat accounts.</p> <p>For this purpose, depositories are required to:</p> <ol style="list-style-type: none"> 1. Constitute an internal and a joint committee for examining the intra-depository and inter-depository erroneous transfers respectively in the following manner: <ol style="list-style-type: none"> a. A Public Interest Director of Depository will head the committee with minimum three members including the head. b. Depositories are required to place all instances of erroneous transfers pending for reversal before the committee. c. The committee shall examine such erroneous transfers and take a decision based on reasons to be recorded in writing. 	No immediate actionable

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	August 8, 2023 onwards.		<p>d. Depositories to subsequently act based on the decision of the committee and send an email to the registered email ID of the transferee, informing about the decision of the committee.</p> <p>2. To provide a facility for the investors and DPs to add and verify the beneficiaries before execution of off-market transfers including inter-depository transfers.</p> <p>3. Make necessary amendments to the relevant byelaws, rules and regulations for the implementation of the above decision.</p> <p>Communicate to SEBI the status of implementation in their monthly development reports</p>	
7. Reduction of timeline for listing of shares in public issue				
<u>August 09, 2023</u>	On voluntary basis for public issues opening on or after September 01, 2023 and mandatory for public issues opening on or after December 1, 2023.	<ul style="list-style-type: none"> • Merchant Banker • Stock Broker • RTA and STAs • Depository Participants • Banker's to an issue. 	<p>The time taken for listing of specified securities after the closure of a public issue has been reduced from 6 working days (T+6 days) to 3 working days (T+3 days); 'T' being issue closing date.</p> <p>The revised timelines for listing of specified securities and various activities involved in the public issue process are specified in <u>Annexure</u> to the said circular.</p> <p>For Direct Bank ASBA and Syndicate ASBA applications, prior to blocking of ASBA application monies in the bank account of the applicant, the SCSBs shall ensure the following:</p> <ol style="list-style-type: none"> a. The PAN mentioned in the application matches with the PAN linked to the bank account of the applicant maintained with the bank. b. A confirmation in this regard shall be submitted by SCSBs to the Registrar to an Issue along with the Final Certificate. <p>The PAN linked to the bank account of the applicant to be part of the bidding data on the Stock Exchange platform.</p>	<p>Company to take note of the following:</p> <ol style="list-style-type: none"> a. The T+3 timeline for listing shall be disclosed in the offer document of public issues. b. The compensation to investors for delay in unblocking of ASBA application monies (if any) shall be computed from T+3 day.

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8. Procedure for seeking prior approval for change in control				
<u>August 10, 2023</u>	September 01, 2023	<ul style="list-style-type: none"> • Merchant Bankers • Banker to issue 	<p>Presently, regulation 8A (1) (a) of SEBI (Bankers to an Issue) Regulations, 1994 provides that Bankers to an Issue are required to obtain prior approval of SEBI in case of change in control.</p> <p>In order to streamline the process of obtaining approval for the proposed change in control of Bankers to an Issue (hereinafter referred as intermediary), the procedure has been specified by way of the present circular.</p> <p>The procedure to be followed in matters, which involve scheme(s) of arrangement, which needs sanction of the National Company Law Tribunal (“NCLT”) in terms of the provisions of the Companies Act, 2013, has also been prescribed.</p>	<p>If the Company is a Merchant Banker or a Banker to an issue, the company to ensure compliance with the said circular.</p>
9. Simplification of KYC process and rationalization of risk management framework at KYC Registration Agencies				
<u>August 11, 2023</u>	September 01, 2023	<ul style="list-style-type: none"> • All Intermediaries registered with SEBI. 	<p>In order to easing of onboarding of clients for dealing in the securities market, it has been decided to simplify the KYC process and rationalize the risk management framework as given in the circular.</p> <p>The KYC Registration Agencies (‘KRAs’) are required to:</p> <ul style="list-style-type: none"> • verify certain attributes of records of all clients namely PAN, Name and address within 2 days of receipt of KYC record, • verify the client’s mobile number and email id, • If PAN is exempted then name, address, mobile number and email id shall be verified by the KRAs. <p>Those clients whose data cannot be verified shall not be allowed to transact in the securities market.</p>	<ul style="list-style-type: none"> • The systems of the Bank and the KRAs shall be integrated to facilitate seamless movement of documents/ information to and from the intermediary to the KRAs for verification/ validation of attributes under risk management framework. • The records of all existing clients whose

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				KYC has been completed based on OVDs other than Aadhaar, shall be verified within a period of 90 days from September 01, 2023						
10. Master Circular for Online Resolution of Disputes in the Indian Securities Market										
<u>August 11, 2023</u>	In phases – as mentioned in the circular.		The existing SEBI Master Circular for Online Resolution of Disputes in the Indian Securities Market dated July 31, 2023 has been updated in line with the recent SEBI Circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023.	The Company to take note of the circular issued.						
11. SEBI (Facilitation of Grievance Redressal Mechanism) (Amendment) Regulations, 2023										
<u>August 16th, 2023</u>	Immediately effective	<ul style="list-style-type: none"> • Listed Companies • Sock Brokers • Merchant Bankers • Bankers to a issue • Debenture trustees • Mutual Funds 	<p>SEBI, vide present notification, has reduced the timelines for redressal of investor grievances from 1 month to 21 calendar days in various SEBI Regulations in their respective clauses as referred below. Additionally, a clause has been inserted in the following Regulations enabling SEBI to recognize a body corporate for handling and monitoring grievance redressal mechanism.</p> <table border="1" data-bbox="730 1114 1805 1337"> <thead> <tr> <th data-bbox="730 1114 1290 1161">Name of the Regulation</th> <th data-bbox="1290 1114 1805 1161">Clause Amended)</th> </tr> </thead> <tbody> <tr> <td data-bbox="730 1161 1290 1225">SEBI (Stock Brokers) Regulations, 1992</td> <td data-bbox="1290 1161 1805 1225">Reg 9(e)</td> </tr> <tr> <td data-bbox="730 1225 1290 1337">SEBI (Merchant Bankers) Regulations, 1992,</td> <td data-bbox="1290 1225 1805 1337">Reg 9A(1)(c) Further after Reg 28B, clause 28C has been added.</td> </tr> </tbody> </table>	Name of the Regulation	Clause Amended)	SEBI (Stock Brokers) Regulations, 1992	Reg 9(e)	SEBI (Merchant Bankers) Regulations, 1992,	Reg 9A(1)(c) Further after Reg 28B, clause 28C has been added.	No immediate Actionable. The Company to ensure that customer grievances are resolved within a period of 21 days.
Name of the Regulation	Clause Amended)									
SEBI (Stock Brokers) Regulations, 1992	Reg 9(e)									
SEBI (Merchant Bankers) Regulations, 1992,	Reg 9A(1)(c) Further after Reg 28B, clause 28C has been added.									

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			SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993	Reg 9A(1)(e) Further after Reg 15B, clause 15C has been added	
			SEBI (Debenture Trustees) Regulations, 1993,	Reg 9A(1)(c)	
			SEBI (Bankers to an Issue) Regulations, 1994	Reg 8A(1)(d)	
			SEBI (Mutual Funds) Regulations, 1996	After Reg 60, clause 60A has been added	
			SEBI a (Collective Investment Schemes) Regulations 1999,	Reg 11(f) Further after Reg 14A, clause 14B has been added	
			SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008	Reg 7(c) Further in Reg 11(3) after 11(3)(q) clause 11(3)(r) has been added After Reg 11, clause 11A has been added	
			SEBI (Research Analysts) Regulations, 2014	After Reg 26, clause 26A has been added	
			SEBI (Real Estate Investment Trusts) Regulations, 2014	After Reg 26E, clause 26F has been added	
			SEBI (Infrastructure Investment Trusts) Regulations, 2014	After Reg 26K, clause 26L has been added	
			SEBI (LODR) Regulations, 2015	Reg 13(1)	
12. Validity period of approval granted by SEBI to Alternative Investment Funds (AIFs) and Venture Capital Funds (VCFs) for overseas investment					
<u>August 04, 2023</u>	Immediately	AIFs and Venture Capital Funds	In terms of para 7.2.4. Of Chapter 7 of <u>SEBI Master Circular for AIFs</u> , AIFs have been given a time period of 6 months from the date of approval from SEBI for making allocated investments in offshore VCUs. In case, the AIF does not utilize the allocated limits within such period, SEBI has the power to allocate such unutilized limit to other applicants.		No immediate actionable.

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			<p>Vide this present circular, the time period has been reduced from 6 months to 4 months, so that the allocated limit is utilised efficiently and, if unutilized, the same is again available to the AIF industry in a shorter time span.</p> <p>The revised timeline shall apply to the overseas investment approvals granted by SEBI subsequent to the issuance of this circular.</p>	
13. Audit of firm-level performance data of Portfolio Managers				
<u>August 02, 2023</u>	Immediately. The standard ToR shall be effective from October 01, 2023,	All Portfolio Managers	<p>Para 5.3.1. of the SEBI Master Circular for Portfolio Managers requires them to audit firm-level performance data on an annual basis and submit the confirmation of compliance with paragraph 4.5.3 (dealing with performance of portfolio manager) to SEBI within 60 days of the end of each financial year.</p> <p>In order to have uniformity, the Association of Portfolio Managers of India shall specify standardized Terms of Reference ('ToR') for the aforesaid audit. The ToR shall be effective from October 1, 2023.</p> <p>The TOR shall <i>inter alia</i> include the requirement to consider clients' portfolios under all services for the purpose of audit and exclude performance of advisory clients if it is not reported or published in any marketing material or website. Such audit report shall be submitted to SEBI within 60 days from the end of financial year.</p> <p>The Portfolio Managers shall confirm compliance with the said requirement of annual audit in line with the ToR to SEBI within 60 days from the end of the financial year.</p>	<p>All portfolio managers to conduct the audit of firm-level performance data in line with the specified ToR and submit the audit report within 60 days from the end of FY.</p> <p>Further, the compliance with the said requirement to be reported to SEBI within 60 days from the end of FY.</p>
14. SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2023				
<u>August 23, 2023</u>	August 23, 2023	Equity Listed entities	SEBI on the aforesaid date came up with SEBI (LODR) (Third Amendment) Regulations, 2023 which inserted new Chapter VI on Framework for Voluntary Delisting of Debt Securities.	The Company to take note of the said circular and

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			<p>The highlights of the amendment along with the actionable are as follows:</p> <ol style="list-style-type: none"> 1. <u>Applicability of the Framework:</u> Voluntary delisting of all NCDs/NCRPs from all or any of the stock exchanges where such NCDs/NCRPs are listed. 2. <u>Rationale behind the Framework:</u> <ul style="list-style-type: none"> • Absence of specific provisions for voluntary delisting of debt securities; • Voluntary delisting mandated for all ISINs in line with the proposed SEBI reform – once listed, always listed. 3. <u>Exclusion in following cases:</u> <ul style="list-style-type: none"> • Public issuances of NCDs/NCRPs (cannot be delisted); • ISINs with more than 200 Non-QIB holders (cannot be delisted); • NCDs/NCRPs delisted pursuant to any penalty/ action initiated against the listed entity or grounds specified under Rule 21 of SCR Rules 1957 • NCDs/NCRPs delisted by stock exchanges pursuant to redemption of such securities or shares • NCDs/NCRPs delisted pursuant to a resolution plan as per Section 31 of the Insolvency Code. 4. <u>Obligations of the Issuer:</u> <ol style="list-style-type: none"> a) Obtaining consent of NCD/NCRPs holders within the prescribed timeline; b) Intimation to SE under Reg. 51 of the Listing Regs at every stage till the delisting is completed; c) Disclosure of the following additional information to the SE and on its website: <ul style="list-style-type: none"> • Details of the Stock Exchange from which the NCDs/NCRPs are to be delisted; • Reasons for delisting; • Cut-off date along with time frame; • Disclaimer stating the delisted securities would not be governed by SEBI provisions and the holders would not have access to SCORES for grievance redressal; 	<p>ensure compliance with the same.</p> <p><u>Our Resources:-</u></p> <ol style="list-style-type: none"> 1. Our write-up on the said topic can be accessed here. 2. Our resource Centre on SEBI (LODR) Regulations can be viewed here.

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			<ul style="list-style-type: none"> • Statement from Board that all material information has been disclosed to SE; • Statement by Debenture Trustee on adequacy of security cover; • Undertaking that issuer has not paid any incentive or entered into any agreement with any investor; • Undertaking that related parties shall not vote on the proposal, etc. <p>5. Approval of Holders:</p> <p>a) The listed entity shall send the notice of delisting to t NCD/NCRPs holders, not later than 3 working days from receipt of in-principle approval from the stock exchanges.</p> <p>b) Approval of all NCD/NCRPs holders is to be obtained within 15 working days from the date of notice</p>	
15. Mandating additional disclosures by Foreign Portfolio Investors (FPIs) that fulfil certain objective criteria				
<u>August 24, 2023</u>	November 01, 2023	Foreign Portfolio Investors	<p>SEBI vide notification dated <u>August 10, 2023</u> amended the <u>SEBI (Foreign Portfolio Investors) Regulations, 2019</u> requiring FPIs to provide information regarding persons with ownership, economic interest, or control in the FPI.</p> <p>Pursuant to the above notification, SEBI, vide this <u>present circular</u> has mandated the FPIs fulfilling the criteria mentioned in para 7 of the circular to make disclosures of all entities holding any ownership, economic interest, or exercising control in the FPI to the respective Designated Depository Participants.</p> <p>Such disclosures are not required if the FPI realigns its investments within the timelines specified in para 11 of the circular. If the investments are not realigned, the disclosures shall be made within the next 30 trading days from the expiry of said timelines.</p> <p>Non-disclosure by FPIs shall render its registration invalid and the FPI shall liquidate its securities and surrender its registration within 180 calendar days from the day the certificate becomes invalid.</p>	No actionable. Company to take note of the circular.

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			During the aforementioned 180 calendar days, the listed companies shall restrict the FPI's voting rights to its actual shareholding or its shareholding corresponding to 50% of its equity AUM on the date its FPI registration is rendered invalid, whichever is lower.	
BSE & NSE				
1. SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) – Framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level.				
July 31, 2023	Effective from trading window closure with effect from October 1, 2023		<p>In terms of the SEBI circular dated July 19, 2023, the framework for restricting trading by DPs by freezing PAN at security level has been extended to top 1000 listed companies as per market capitalization as on June 30, 2023 w.e.f. October 1, 2023.</p> <p>The BSE and NSE have shared the revised list of top 1000 companies to which the said framework will apply.</p> <p>The listed entities are required to designate one of the depositories as its designated depository and provide the information including PAN of Promoter(s), promoter group, director(s) and designated person(s) in the manner as specified under SEBI circular dated September 9, 2020</p>	<p>If the Company falls within the top 1000 companies in terms of BSE market capitalization as of June 30, 2023 will be required to comply with the circular by October 01, 2023.</p> <p>Our resources on the topic:-</p> <ul style="list-style-type: none"> • Our article on the said topic can be accessed here. • Our resource center on PIT Regulations can be viewed here.

Date of Notification/ circular	Effective from	Companies on which applicable	Particulars	Impact on the Company / Actionable, if any
Ministry of Corporate Affairs				
1. Company (Incorporation) Second Amendment Rules, 2023				
<u>August 02, 2023</u>	August 02, 2023	All Companies	<p>The Central Government has made further amendments to the Companies (Incorporation) Rules, 2014 namely Companies (Incorporation) Second Amendment Rules, 2023.</p> <p>Form RD-1 had been substituted vide MCA Notification dated 19.01.2023 regarding Companies (Incorporation) Amendment Rules, 2023. Following are the new additions in the Form RD-1 as substituted vide the companies (Incorporation) Seventh Amendment Rules, 2019 dated 28.08.2019</p> <ol style="list-style-type: none"> a. In field no. 3, relating to purpose of application, notice of approval of scheme of merger in CAA-11; b. Field no. 14 pertaining to details of transferor company; <p>In attachments, copy of approved scheme of merger in CAA-11.</p>	No Immediate Actionable.