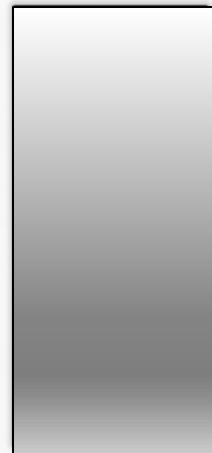


LEGALITE ADVISORS

**IMPORTANT LEGAL UPDATES FOR SEPTEMBER,
2024**



Ministry of Corporate Affairs

- ❑ **Notification No.** G.S.R. 602(E). (“**Notification**”)
- ❑ **Notification Date.** September 28, 2024
- ❑ **Notification Effective Date.** September 28, 2024
- ❑ **Notification Subject.** The Companies (Indian Accounting Standards) Third Amendment Rules, 2024.
- ❑ **Analysis.**
 - The Ministry of Corporate Affairs *vide* this Notification has further amended the Companies (Indian Accounting Standards) Rules, 2015 (“**Rules**”) to insert proviso in rule 5 of the Rules.
 - *Vide* proviso in rule 5, an insurer or insurance company has been allowed to provide its financial statement as per Indian Accounting Standards (“**Ind AS**”) 104 for the purposes of consolidated financial statements by its parent or investor or venturer till the Insurance Regulatory and Development Authority notifies the Ind AS 117.
 - Further, after the Annexure in the Rules, the Schedule on Ind AS 104 has been inserted and the same has been appended in the Notification.
- ❑ **Link of the Notification.** [The Companies \(Indian Accounting Standards\) Third Amendment Rules, 2024](#)

Ministry of Corporate Affairs (Contd...)

- ❑ **Notification No.** G.S.R. 587(E). (“**Notification**”)
- ❑ **Notification Date.** September 24, 2024
- ❑ **Notification Effective Date.** September 24, 2024
- ❑ **Notification Subject.** The Companies (Accounts) Amendment Rules, 2024 (“**Amendment Rules**”)
- ❑ **Analysis.**
 - The Ministry of Corporate Affairs *vide* this Notification has further amended the Companies (Accounts) Rules, 2014 (“**Rules**”) to insert fourth proviso in sub-rule (1B) in rule 12 of the Rules.
 - *Vide* this Notification, for the financial year 2023-2024, every company covered under the provisions of section 135(1) of the Companies Act, 2013, shall separately file a report on Corporate Social Responsibility in e-form CSR-2 on or before December 31, 2024 with the Registrar of Companies, after filing e-Form AOC-4 or e-Form AOC-4-NBFC (Ind AS) or e-Form AOC-4 XBRL, as the case may be.
- ❑ **Link of the Notification.** [The Companies \(Accounts\) Amendment Rules, 2024](#)

Ministry of Corporate Affairs (Contd...)

- ❑ **Notification No.** G.S.R. 583(E). (“**Notification**”)
- ❑ **Notification Date.** September 20, 2024
- ❑ **Notification Effective Date.** September 20, 2024
- ❑ **Notification Subject.** The Companies (Prospectus and Allotment of Securities) Amendment Rules, 2024 (“**Amendment Rules**”)
- ❑ **Analysis.**
 - The Ministry of Corporate Affairs *vide* this Notification further amended the Companies (Prospectus and Allotment of Securities) Rules, 2014 (“**Rules**”) to insert a proviso after sub-rule (2) of rule 9B of the Rules which *inter alia* deals with the timeline for mandatory dematerialisation of the securities of the private limited companies other than small companies.
 - The said proviso states that a producer company covered under the sub-rule (2) of rule 9B of the Rules shall within a period of 5 (Five) years of closure of the financial year ended on March 31, 2023, comply with the provision of the sub-rule (2) of rule 9B of the Rules. The same comes as a breather for Producer Companies who were also made to ensure that their securities are in demat mode by September 30, 2024.
- ❑ **Link of the Notification.** [The Companies \(Prospectus and Allotment of Securities\) Amendment Rules, 2024](#)

Ministry of Corporate Affairs (Contd...)

- ❑ **General Circular No.** 09/2024 (“**Circular**”)
- ❑ **Circular Date.** September 19, 2024
- ❑ **Circular Subject.** (a) Clarification on mode of holding an annual general meeting (“**AGM**”) due in the year 2024 or 2025; and (b) Extension of time for holding of extra-ordinary general meeting (“**EGM**”), through video conference (“**VC**”) or other audio visual means (“**OAVM**”) and transacting the business through postal ballot, as allowed by the Ministry of Corporate Affairs (“**MCA**”).
- ❑ **Analysis.**
 - **For AGM.**
 - ✓ The Circular is in continuation to the following circulars issued by the MCA:
 - General Circular No. 20/2020 dated May 05, 2020 (“**Circular-A**”),
 - General Circular No. 02/2022 dated May 05, 2022,
 - General Circular No. 10/2022 dated December 28, 2022, and
 - General Circular No. 09/2023 dated September 25, 2023
 - Advantage/relaxation pursuant to the Circular:

Ministry of Corporate Affairs (Contd...)

- ✓ *Vide* introduction of the Circular, the MCA has allowed the companies, whose AGMs are due in the year 2024 or 2025, to conduct their AGM *via* VC or OAVM on or before September 30, 2025. Accordingly, the relaxation provided in the Circular is *wrt* the mode of conducting/holding an AGM and shall not be construed as any extension of time for conducting the AGM.
- Compliance to be done by the companies:
 - ✓ The companies who conduct their AGM in accordance with the Circular (*viz. through VC/OAVM*) are required to comply with the requirements as laid down under para 3 and para 4 of the Circular-A viz., compliances provided for the companies who are required to provide the e-voting facility or has opted so, under the Companies Act, 2013 and compliances provided for the companies which are not required to provide the e-voting facility, respectively.
- **For EGM.**
 - ✓ The Circular is in continuation to the following circulars issued by the MCA:
 - General Circular No. 14/2020 dated April 08, 2020 (**Circular-B**),
 - General Circular No. 03/2022 dated May 05, 2022 (**Circular-C**),
 - General Circular No. 11/2022 dated December 28, 2022 (**Circular-D**), and
 - General Circular No. 09/2023 dated September 25, 2023 (**Circular-E**)
 - ✓ Relaxation/Extension of time for conducting EGM through VC/OAVM and transacting the business through postal ballot:

Ministry of Corporate Affairs (Contd...)

- *Vide* introduction of the Circular, the MCA has allowed the companies to conduct EGMs through VC or OAVM till September 30, 2025 viz., relaxation has been provided and timeline has been extended to September 30, 2025 *vide* Circular *vis-à-vis* September 30, 2024 allowed *vide* Circular-E.
- In addition to above, the Circular has also allowed transacting the business through postal ballot (*except the items of ordinary business or business where any person has a right to be heard*) till September 30, 2025 viz., relaxation has been provided and timeline has been extended to September 30, 2025 *vide* Circular *vis-à-vis* September 30, 2024 allowed *vide* Circular-E.
- The companies are required to adhere to the compliances and requirements as provided in Circular-B while availing the benefit of the Circular.

□ Links of the referred Circulars.

- [Circular](#)
- [Circular-A](#)
- [Circular-B](#)
- [Circular-C](#)
- [Circular-D](#)
- [Circular-E](#)

Ministry of Corporate Affairs (Contd...)

- ❑ **Notification No.** G.S.R. 557(E). (“**Notification**”)
- ❑ **Notification Date.** September 10, 2024
- ❑ **Notification Effective Date.** September 10, 2024
- ❑ **Notification Subject.** Notification pursuant to the powers conferred under sub-clause (v) of clause (72) of Section 2 of the Companies Act, 2013
- ❑ **Analysis.**
 - *Vide* this Notification the Ministry of Corporate Affairs has notified that the the Central Government in consultation with the Reserve Bank of India (RBI) has notified National Bank for Financing Infrastructure and Development (NaBFID) as a public financial institution.
- ❑ **Link of the Notification.** [Notification pursuant to the powers conferred under sub-clause \(v\) of clause \(72\) of Section 2 of the Companies Act, 2013](#)

Ministry of Corporate Affairs (Contd...)

- ❑ **Notification No.** G.S.R. 555(E). (“**Notification**”)
- ❑ **Notification Date.** September 9, 2024
- ❑ **Notification Effective Date.** September 17, 2024
- ❑ **Notification Subject.** The Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2024.
- ❑ **Analysis.**
 - The Ministry of Corporate Affairs (“**MCA**”) *vide* this Notification has further amended the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“**Rules**”) to insert sub-rule (5) in rule 25A of the Rules.
 - *Vide* sub-rule (5) in rule 25A, it is hereby notified that the merger or amalgamation of the transferor foreign company incorporated outside India being a holding company and the transferee Indian company being a wholly owned subsidiary company incorporated in India, shall be subject to following key requirements:
- ❑ **Link of the Notification.** [Notification pursuant to the powers conferred under sub-clause \(v\) of clause \(72\) of Section 2 of the Companies Act, 2013](#)

Ministry of Corporate Affairs (Contd...)

- i. Both the companies shall obtain prior approval from the Reserve Bank of India (RBI) to ensure compliance with India's foreign exchange regulations and to provide oversight for cross-border financial transactions.
 - ii. The Indian wholly owned subsidiary company shall comply with the provisions of section 233 of the Companies Act, 2013 ("**Act**"), which governs with fast track mergers.
 - iii. The application shall be made by the Indian wholly owned subsidiary company to the Central Government under section 233 of the Act and provisions of rule 25 of the Rules.
 - iv. The declaration as referred in sub-rule (4) of rule 25A of the Rules, shall be made at the stage of making application under section 233 of the Act.
- This Notification regularizes the reverse flip concept that has been quite in vogue with a lot of companies wanting to headquarter their operations in India and is a progressive move by the MCA.
- **Link of the Notification.** The Companies (Compromise, Arrangements and Amalgamations) Amendment Rules, 2024

Ministry of Corporate Affairs (Contd...)

- ❑ **Notification No.** G.S.R. 554(E). (“**Notification**”)
- ❑ **Notification Date.** September 9, 2024
- ❑ **Notification Effective Date.** September 9, 2024
- ❑ **Notification Subject.** The Companies (Indian Accounting Standards) Second Amendment Rules, 2024.
- ❑ **Analysis.**
 - The Ministry of Corporate Affairs *vide* this Notification has further amended the Companies (Indian Accounting Standards) Rules, 2015 (“**Rules**”) to bring about certain amendments to the Companies (Indian Accounting Standards) Rules, 2015; and withdrawal, either in part or full, of some of the paragraphs under Indian Accounting Standards (Ind AS) 116 forming part of Annexure to the Rules.
 - The Notification can be accessed through the below link.
- ❑ **Link of the Notification.** [The Companies \(Indian Accounting Standards\) Second Amendment Rules, 2024](#)

Ministry of Corporate Affairs (Contd...)

- ❑ **Notification No.** G.S.R. 552(E). (“**Notification**”)
- ❑ **Notification Date.** September 9, 2024
- ❑ **Notification Effective Date.** September 9, 2024
- ❑ **Notification Subject.** The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2024 (“**Amended Rules**”).
- ❑ **Analysis.**
 - The Ministry of Corporate Affairs *vide* this Notification has further amended the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“**Rules**”), to make amendment in Schedule II, III and IV of the Rules.
 - The Notification can be accessed through the below link.
- ❑ **Link of the Notification.** The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2024

Securities Laws

- ❑ **Press Release No.** 25 /2024 (“**Press Release**”)
- ❑ **Press Release Date.** September 30, 2024
- ❑ **Press Release Subject.** SEBI Board Meeting
- ❑ **Analysis.**
 - The 207th meeting of the Board of Directors of Securities and Exchange Board of India (“**SEBI**”) was held on September 30, 2024 (“**Meeting**”), in Mumbai. Several matters were discussed at the Meeting including but not limited to matters relating to secondary, primary market(s), market intermediaries, mutual funds, prohibition of insider trading; procedural matters in relation to requirements of the attestation of the documents, etc.
 - The summary of the discussions of the Meeting of the SEBI can be found as detailed in the following link.
- ❑ **Link of the Press Release.** [SEBI Board Meeting dated September 30, 2024](#)

Securities Laws (Contd...)

- ❑ **Notification No.** SEBI/LAD-NRO/GN/2024/206. (“**Notification**”)
- ❑ **Notification Date.** September 25, 2024
- ❑ **Notification Effective Date.** September 25, 2024
- ❑ **Notification Subject.** Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 (“**Amendment Regulations**”)
- ❑ **Analysis.**
 - The provisions of the Amendment Regulations shall be applicable to such delisting offers whose initial public announcement is made on or after the date of coming into force of the Amendment Regulations.
 - An acquirer may make delisting offer in terms of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (“**Principal Regulations**”) as they existed before the coming into force of the Amendment Regulations till the 60th (sixtieth) day from the date of publication of the Amendment Regulations in the official gazette.
 - The following amendments have been introduced *vide* these Amendment Regulations:

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
1.	NA	The term “fixed delisting price” has been introduced to mean the fixed price offered by the acquirer for undertaking delisting of the equity shares of the company through fixed price process.
2.	<p>The definition of Floor Price has been substituted.</p> <p>Earlier the floor price was computed in accordance with Regulation 8 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“Takeover Regulations”).</p>	<p>As per the Amendment Regulations the floor price will now be calculated in accordance with regulation 19A of the Principal Regulations.</p> <p>Regulation 19A has also been introduced through the Amendment Regulations which provides for the calculation of Floor Price.</p>

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
3.	NA	The term “Investment Holding Company” has been introduced to mean a company which holds investments in listed or unlisted companies or holding assets other than such investments
4.	<p>In accordance with Regulation 14(1) of the Principal Regulations amount equivalent to 25% (Twenty Five percent) of the total consideration to be deposited in interest bearing escrow account shall be calculated in the below mentioned manner:</p> <p><i>number of equity shares outstanding with the public shareholders multiplied with the floor price or the indicative price, if any given by the acquirer in terms of regulation 20(4) of these regulations (Discovered Price), whichever is higher.</i></p>	<p>As per the Amendment Regulations, amount equivalent to 25% (Twenty Five percent) total consideration to be deposited in interest bearing escrow account shall be calculated in the below mentioned manner:</p>

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
		<ul style="list-style-type: none">➤ in case delisting is proposed through reverse book building process - number of equity shares outstanding with the public shareholders multiplied with the floor price or the indicative price, if any given by the acquirer in terms of Regulation 20(4) of these regulations, whichever is higher➤ in case delisting is proposed through the fixed price process - number of equity shares outstanding with the public shareholders multiplied with the fixed delisting price offered by the acquirer.

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
5.	In accordance with Regulation 14(3) the acquirer is required to deposit the balance consideration equivalent to 75% (Seventy Five Percent) of the total consideration which shall be calculated basis the number of equity shares outstanding with the public shareholders multiplied with the floor price or the indicative price, if any, given by the acquirer in terms of Regulation 20(4), whichever is higher.	As per the Amendment Regulations the balance consideration equivalent to 75% (Seventy Five Percent) of the total consideration required to be deposited by the acquirer shall be calculated in the manner provided in Regulation 14(1) of the Principal Regulations as mentioned in Point 4 above.
7.	As per Regulation 17(1), the tenure of the bidding period would start not later than 7 (seven) working days from the date of the detailed public announcement and shall remain open for 5 (five) working days.	The Amendment Regulations have introduced the mechanism of delisting process to determine the tenure of bidding process which now also includes tendering period.

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
		Thus, as per the Amendment Regulations, if the delisting is proposed through reverse book building process or through fixed price process the bidding or the tendering period shall start not later than 7 (seven) working days from the date of the detailed public announcement and shall remain open for (five) working days.
8.	The Principal Regulations covered only reverse book building process and bidding period in case of requirement of outcome to be provided by the Manager.	<p>The Amendment Regulations include 'fixed price process' alongside the reverse book building process.</p> <p>Accordingly, the Manager to the offer shall ensure that outcome of the reverse book building process and fixed price process shall be announced with 2 (two) hours of the closure of the bidding period.</p>

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
9.	As per Regulation 17(4) the acquirer was required to make a public announcement in the same newspaper in which the detailed public statement as per Regulation 15(1) was published earlier through the Manager to the offer disclosing the success or failure of the reverse book building process, along with the discovered price accepted by the acquirer in the event of success of the said process.	Through the Amendment Regulations, now, besides the reverse book building process, fixed price delisting process has been introduced to the mechanism making detailed public statement in accordance with Regulation 17(4).
11.	The Principal Regulations covered only reverse book building process in case of right of the shareholders to participate in the reverse book building process.	The Amendment Regulations include 'fixed price process' alongside the reverse book building process.

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
		<p>Accordingly, Regulation 19(1) has been amended to provide the shareholders the right to participate in the bidding process, the mode of which shall be either fixed price process or reverse book building process.</p> <p>Regulation 19(3) has been amended to replace the word 'reverse book building process' with 'delisting process' to cover both the mechanism of fixed price process and reverse book building process as applicable.</p>
12.	NA	<p>Regulation 19A has been inserted to provide the mechanism for determination of floor price in cases where the equity shares proposed to be delisted are either through reverse book building process or through fixed price process. Earlier the floor price was computed in accordance with Regulation 8 of the Takeover Regulations.</p>

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
13.	<p>In the Principal Regulation 20, as per sub regulation (2) the floor price would be determined pursuant as per Regulation 8 of the Takeover Regulations.</p> <p>As per sub regulation (3) the reference date for computing the floor price would be the date on which the recognized stock exchange were notified of the delisting proposal being approved by the board of directors of the company.</p>	<p>Through the Amendment Regulations sub-regulation (2) & (3) of Regulation 20 have been omitted and sub-regulation (4) has been amended whereby the floor price shall now be determined as per the newly inserted Regulation 19A.</p>
14.	NA	<p>Regulation 20A has been introduced to provide the mechanism for determination of floor price in case the delisting is proposed through 'fixed price process'.</p>

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
15.	Regulation 21 of the Principal regulations, the post offer shareholding of the acquirer including the shares tendered / offered by public shareholders accepted as eligible bids were calculated on the discovered price or the counter offer price.	As per the amended regulations the post offer shareholding of the acquirer including the shares tendered / offered by public shareholders accepted as eligible bids shall be calculated on the fixed price alongwith the existing discovered price or the counter offer price.
16.	NA	<p>Regulation 22(3) has been amended to infer that the provisions of sub-regulation (1) & (2) shall not apply if the discovered price pursuant to reverse book building process is higher than the indicative price i.e. the acquirer shall not be bound to accept the shares tendered or offered in the delisting through reverse book building process.</p> <p>Sub-Regulations (1) and (2) provide for certain binding provisions for the acquirer to agree to accept equity shares at a higher indicative/discovered</p>

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
17.	As per 22(4) of the Principal Regulations (<i>Option to accept or reject the discovered price or counter offer</i>), the acquirer can make a counter offer to the public shareholder if the discovered price is not acceptable to the acquirer within 2 (two) working days from the closure of the bidding period and thereafter ensure compliance with the provisions of the Principal Regulations in accordance with the timelines provided in Schedule IV thereof.	<p>Now, the amended Regulation 22(4) provides that in case of the delisting process through reverse book building process, the acquirer can make counter offer provided:</p> <ol style="list-style-type: none"> 1. The post offer shareholding of the acquirer, along with the shares tendered by public shareholders, is not less than 75 (seventy five percent); and 2. not less than 50 (fifty percent) of the public shareholding has been tendered. <p>Sub-regulation (4A) has been added under Regulation 22 which provides the timeline of 2 (two) working days to comply with the provisions of Regulation 22(4) after the closure of the bidding period and compliance with the provisions of the Principal Regulations in accordance with the timelines provided in Schedule IV thereof.</p>

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
18.	As per 22(5) of the Principal Regulations, the counter price for the purpose of Regulation 22(4) shall not be less than the book value of the Company as certified by the Manager to the issue.	Now, the amended Regulation 22(4) provides that the counter price shall be higher of the below: i. volume weighted average price of the shares tendered/offered in the reverse bookbuilding process; and ii. the indicative price, if any, offered by the acquirer.
19.	As per Regulation 23(2)(a) of the Principal Regulations, the release of the equity shares tendered or offered was governed in terms of Schedule II or Schedule IV.	The Amendment Regulations have omitted Schedule II & Schedule IV and have prescribed the method of delisting i.e. reverse book building process or the fixed price process or the counter-offer, to determine the release of the equity shares.

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
20.	<p>As per 24(1) of the Principal Regulations, the public shareholders whose bids were accepted would be paid as per the discovered price or the higher price as offered by the acquirer.</p> <p>Regulation 24(1)(i) provides that in cases where the discovered price is equal to the floor price or the indicative price under regulation 20A or in case the acquirer is bound to accept the equity shares in the delisting offer in terms of regulation 22(2), the payment shall be made through the secondary market settlement mechanism.</p>	<p>The Amendment Regulations have, in addition to the existing terms added the reference to newly inserted Regulation 20A and broadened the scope of the price offered by the acquirer to fixed price in terms of Regulation 20A.</p> <p>The Amendment Regulations now include the provisions for fixed price under regulation 20 in addition to the existing provisions.</p>

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
21.	<p>The explanation to section 37 of the Principal Regulations provided that for the purpose of computing the volume weighted average price the relevant/reference date would be the date on which the Company notifies the stock exchange(s) about the board meeting held for the purpose considering and approving the delisting proposal of the subsidiary.</p>	<p>The Amendment Regulations have revised the timeline for the purpose of computing the volume weighted average price the relevant/ reference date. The relevant/reference date shall be the date on which the prior intimation is provided to the stock exchange(s) for holding a board meeting in accordance with the provisions of Regulation 29 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.</p>

Securities Laws (Contd...)

Si. No.	Principal Regulations	Amendment Regulations
22.	NA	Regulation 38A has been introduced to provide the mechanism for delisting of equity shares of a listed investment holding company pursuant to a scheme of arrangement.

□ **Link of the Notification.** [Securities and Exchange Board of India \(Delisting of Equity Shares\) \(Amendment\) Regulations, 2024](#)

Securities Laws (Contd...)

- ❑ **Circular No.** SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/128 (“**Circular**”)
- ❑ **Circular Date.** September 24, 2024
- ❑ **Circular Effective Date.** November 01, 2024
- ❑ **Circular Subject.** Usage of UPI by individual investors for making an application in public issue of securities through intermediaries.
- ❑ **Analysis.**
 - Securities and Exchange Board of India (“**SEBI**”) had issued a master circular no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024, (“**Master Circular**”), prescribing therein the provisions pertaining to application process in case of public issue of securities under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015; and SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 (hereinafter collectively referred to as “**Relevant Regulations**”).

Securities Laws (Contd...)

- To align the process for applying for securities under a public issue(s) (*opening on or after November 01, 2024*) governed by the Relevant Regulations, with the equity shares/ convertibles, it has been decided that all the **individual investors** making an application for the same **through the intermediaries** (*viz.* syndicate members, registered stock brokers, registrar and transfer agent and depository participants) of **an amount not exceeding INR 5,00,000** (Indian Rupees Five Lakhs only), shall **only** use **Unified Payment Interface** (“UPI”) for the **purpose of blocking of funds** and provide his/ her bank account linked UPI ID in the bid-cum-application form submitted therefor.
 - Further, individual investors shall continue to have the choice of availing other modes (*viz.* through self certified syndicate banks and stock exchange platform) for making an application in the public issue as provided in the Master Circular.
- **Link of the Circular.** [Usage of UPI by individual investors for making an application in public issue of securities through intermediaries](#)

Securities Laws (Contd...)

- ❑ **Notification No.** SEBI/LAD-NRO/GN/2024/205. (“**Notification**”)
- ❑ **Notification Date.** September 17, 2024
- ❑ **Notification Effective Date.** September 17, 2024
- ❑ **Notification Subject.** Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Second Amendment) Regulations, 2024 (“**Amendment Regulations**”)
- ❑ **Analysis.**
 - ✓ The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (“**Principal Regulations**”) have been amended with respect to *inter-alia* filing of draft offer document; advertisement for public issue(s); period of subscription and some changes made in Schedule I thereof. The same have been detailed hereunder:

Securities Laws (Contd...)

Regulation/ sub-regulation No.	Principal Regulations	Amendment Regulations
27	Filing of draft offer document	
2	The draft offer document filed with the stock exchange(s) (" SE ") was required to be made public by posting it on the website of the SE for seeking public comments for a period of seven working days from the date of filing it with the SEs.	The said period of posting the draft offer document on the website of SEs for seeking public comments has been reduced to five working days from the date of filing it with the SEs.
Proviso to sub-regulation (2)	NA	Further, for issuers who have their specified securities listed on a recognized SE, having nationwide terminals, shall post on the website of SE for a period of one day from the date of filing it with the SEs.

Securities Laws (Contd...)

Regulation/ sub-regulation No.	Principal Regulations	Amendment Regulations
30	Advertisements for Public issues	
1	The issuer was required to make an advertisement through english national daily newspaper or regional daily newspaper having wide circulation at the place where the registered office of the company is situated on or before the issue opening date, containing therein the disclosure(s) as required in Schedule V.	The issuer was required to make an advertisement through english national daily newspaper or regional daily newspaper having wide circulation at the place where the registered office of the company is situated on or before the issue opening date, containing therein the disclosure(s) as required in Schedule V.

Securities Laws (Contd...)

Regulation/ sub-regulation No.	Principal Regulations	Amendment Regulations
30	Advertisements for Public issues	
Proviso to sub-regulation (1)	NA	Where the issuer opts to make the advertisement through electronic mode(s), it shall publish a notice in english national daily newspaper or regional daily newspaper having wide circulation at the place where the registered office of the company is situated, providing a QR Code (quick response code) and a link to the entire advertisement.

Securities Laws (Contd...)

Regulation/ sub-regulation No.	Principal Regulations	Amendment Regulations
33A	Period of Subscription	
1	A public issue of debt securities or non-convertible redeemable preference shares was required to be kept open for a minimum of 3 (three) working days as per the Principal Regulations	However, pursuant to the Amendment Regulations, the said period has been reduced to 2 (two) working days i.e. the issuer is required to keep the offer open for a minimum period of 2 (two) working days. The maximum period of 10 (ten days remains unchanged.
2	In case of any revision(s) in the price band or yield, the issuer was required to extend the bidding period which was disclosed in the offer document with a minimum of 3 (three) working days as per the Principal Regulations	However, pursuant to the Amendment Regulations, the said period has been reduced to 1 (one) working day i.e. the issuer is required to extend the offer period by a minimum period of 1 (one) working day.

Securities Laws (Contd...)

Regulation/ sub-regulation No.	Principal Regulations	Amendment Regulations
	Schedule I	
3.3.2	Details of promoters of the issuer	
(a) & (b)	Some details of the promoters of the issuer were required to be given in the issue document which <i>inter-alia</i> included the personal address(es) of the promoter and permanent account no (PAN) .	<p>With an intent to safeguard the personal information of the promoters of the issuer, it is no longer required to be specified in the issue document.</p> <p>Instead, a declaration confirming that details of the promoters (as required thereunder), submitted to the SEs on which the non-convertible security(ies) are proposed to be listed, are correct, be given. Earlier, this declaration did not include the confirmation of the personal address(es) of the promoters and passport number.</p>

Securities Laws (Contd...)

Regulation/ sub-regulation No.	Principal Regulations	Amendment Regulations
	Schedule I	
3.3.8	About the Issuer	
(d)	The details of branches or units where the issuer carries on its business activities , if any, were required to be given.	Pursuant to the Amendment Regulations, the same can also be provided in the form of a static QR Code or web-link . If done so, the said details of the branch(es) or unit(s) shall also be provided to debenture trustee and be kept available for inspection.
(e)	The details of the project cost and means of financing (in case of new project(s)) was required to be given.	Pursuant to the Amendment Regulations, detailed information about the utilization of the proceeds, in the order of priority is to be given (<i>in the manner specified therein</i>).

Securities Laws (Contd...)

Regulation/ sub-regulation No.	Principal Regulations	Amendment Regulations
	Schedule I	
3.3.37	The persons authorized by the issuer shall attest that:	
(f) & (g)	NA	<ul style="list-style-type: none"> - A clause to the effect that the Board of Directors have perused the contents of the offer document and the ultimate responsibility of the contents specified herein shall lie with the Board – shall be added in the declaration given under this clause. - The authorised persons (in case the issuer is a body corporate) shall be:

Securities Laws (Contd...)

Regulation/ sub-regulation No.	Principal Regulations	Amendment Regulations
	Schedule I	
3.3.37	The persons authorized by the issuer shall attest that (Contd...)	
		<ul style="list-style-type: none"> i) Executive chairperson or any key managerial personnel (other than the company secretary); and the compliance officer; or ii) Any 2 (two) key managerial personnel. - Also, the fact that the resolution pursuant to which the aforesaid persons are authorised has been attached in this offer document, be included therein.

Securities Laws (Contd...)

Regulation/ sub-regulation No.	Principal Regulations	Amendment Regulations
	Schedule I	
3.3.41	The issue document shall include the following other matters and reports, namely:	
(b)	In purchase or acquisition of any immoveable property including indirect acquisition of immoveable property for which advances have been paid to third parties, disclosures regarding:	
Proviso to sub-clause (b)	The Principal Regulations provided for the disclosure of the purchase or acquisition of the immovable property as provided in (i) to (iv) of this sub-clause, on an aggregated basis , in case(s) where the number of vendors exceed 5 – containing such details as specified therein.	<p>Pursuant to the Amendment Regulations, the disclosures as specified in (i) to (iv) of this sub-clause, shall be given in the following manner:</p> <ul style="list-style-type: none"> a) For the top 5 (five) vendors on the basis of value (i.e. sale consideration) payable to the respective vendor; and b) For the remaining vendors, the same be provided on an aggregated basis – containing such details as specified therein.

Securities Laws (Contd...)

Regulation/ sub-regulation No.	Principal Regulations	Amendment Regulations
	Schedule I	
3.3.41	The issue document shall include the following other matters and reports, namely:	
(b)	In purchase or acquisition of any immovable property including indirect acquisition of immovable property for which advances have been paid to third parties, disclosures regarding (Contd...)	
		In addition to the aforesaid, the said information may be provided in the form of a static QR Code or web-link . If done so, the said details also be provided to debenture trustee in the manner provided therein.

❑ **Link of the Notification.** [Securities and Exchange Board of India \(Issue and Listing of Non-Convertible Securities\) \(Second Amendment\) Regulations, 2024](#)

Reserve Bank of India

- ❑ **Notification No.** G.S.R. 566 (E) (“**Notification**”)
- ❑ **Notification Date.** September 12, 2024
- ❑ **Notification Effective Date.** September 12, 2024
- ❑ **Notification Subject.** Foreign Exchange (Compounding Proceedings) Rules, 2024 (“**CP Amendment Rules**”) superseding the Foreign Exchange (Compounding Proceedings) Rules, 2000 (“**Rules**”) as per Foreign Exchange Management Act, 1999 (“**Act**”) by Ministry of Finance (“**MoF**”).
- ❑ **Analysis.**
 - MoF has issued new rules for compounding proceedings under the Act. These CP Amendment Rules shall supersede the Foreign Exchange (Compounding Proceedings) Rules, 2000 from the date of its publication in official gazette. It is aimed to simplify compounding process and promote ‘**ease of investment**’ for investors and ‘**ease of doing business**’ for businesses. Further, CP Amendment Rules encapsulate a list of contraventions that can’t be compounded (*as provided below*); earlier, no such contraventions were specified. Further, the compounding authority's pecuniary limits have also been revised and payment for compounding have now been enabled via NEFT, RTGS, and other permissible electronic modes to make payments swiftly.
 - The detailed analysis of the CP Amendment Rules can be accessed at the following link (1) and the Notification can be accessed at the following link (2):

Reserve Bank of India (Contd...)

- ❑ Link 1: [Detailed analysis of CP Amendment Rules](#)
- ❑ Link 2: [CP Amendment Rules](#)

Insolvency & Bankruptcy Code

- ❑ **Notification No.** IBBI/2024-25/GN/REG116 (“**Notification**”)
- ❑ **Notification Date.** September 24, 2024
- ❑ **Notification Effective Date.** September 24, 2024.
- ❑ **Notification Subject.** Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2024 (“**Amendment Regulations**”).
- ❑ **Analysis.**
 - As sub-regulation (2) of Regulation 12 of the Principal Regulations has been omitted, the reference to the creditor made in sub-regulation (2) has now been substituted with the reference made in sub-regulation (1) of Regulation 12 of the Principal Regulations. Regulation 12(3) of the Principal shall be read as:
 - ✓ Where the creditor in **sub-regulation (1)** is a financial creditor under Regulation 8, it shall be included in the committee from the date of admission of such claim.
 - The proviso to Regulation 16(A)(1) of the Principal Regulations shall be amended and read as:
 - ✓ Provided that the choice of an insolvency professional to act as an authorised representative by a financial creditor in a class in Form CA shall not be considered, if the Form CA is received after the time stipulated in the public announcement.

Insolvency & Bankruptcy Code (Contd...)

- Regulation 16(A)(2) of the Principal Regulations shall be read as:
 - ✓ The interim resolution professional shall apply to the Adjudicating Authority for appointment of the authorised representatives selected under sub-regulation (1) within two days of the verification of claims received under sub-regulation (1) of regulation 12:
 - ✓ Provided that till the application for appointment of the authorised representative for a class of creditors is under consideration before the Adjudicating Authority, the insolvency professional selected under sub-regulation (1) shall act as an interim representative for such class of creditors, and shall be entitled to attend the meetings of the committee and shall have such rights and duties as that of an authorised representative.
 - ✓ In Regulation 40(A) of the Principal Regulations:
 - Regulation 12(2) pertaining to submission of claims shall be deleted.
 - Regulation 13(1) shall not be applicable for “Verification of claims received under regulation 12(2)”.
- **Link of the Notification.** [IBC \(Insolvency Resolution Process for Corporate Persons\) \(Second Amendment\) Regulations, 2024](#)

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Thank You



There is no wealth like knowledge and no poverty like ignorance - Buddha