

LEGAL BRIEFS: BI-WEEKLY LEGAL UPDATES

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Synergia Legal is bringing it to you a fortnightly compilation of digestible summaries of key legal developments and case laws impacting the business, commercial and economic landscape in India:

CORPORATE LAWS

1. The Ministry of Corporate Affairs has notified the Companies (Accounts) Amendment Rules, 2024 (September 24, 2024):

The Ministry of Corporate Affairs (“MCA”) notified the Companies (Accounts) Amendment Rules, 2024. The said rules provide that for the financial year 2023-24, the companies shall be required to file form CSR-2 separately on or before December 31, 2024. The form CSR-2 shall be required to be filed after filing Form No. AOC-4 or Form No. AOC-4 NBFC (Ind AS), as applicable, or Form No. AOC-4 XBRL as specified in the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015.

(The Companies (Accounts) Amendment Rules, 2024 issued by the Ministry of Corporate Affairs is accessible [here](#).)

2. The Ministry of Corporate Affairs has notified the constitution of a special team for the efficient disposal of the stakeholders’ grievances (September 26, 2024):

The MCA has notified the constitution of a special team to look into the grievances of the stakeholders for efficient disposal, to suggest systematic solutions, and provide better guidance to the stakeholders for their compliances on the MCA-21 Portal. The team shall be composed of: (a) Director (e-gov), MCA; (b) Joint Director (e-gov), MCA; (c) Assistant Director (e-gov), MCA; and (d) NISG-PMU Head assisted by team member.

(The notification issued by the Ministry of Corporate Affairs in relation to the setting up of a special team is accessible [here](#).)

3. The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Third Amendment Rules, 2024 (September 28, 2024):

The MCA notified the Companies (Indian Accounting Standards) Third Amendment Rules, 2024. The said rules provide allows the insurers to use the Indian Accounting Standards (Ind AS) 104 for the preparation of consolidated financial statements till the notification of Ind AS 117 by the Insurance Regulatory and Development Authority (IRDA). Further, the said rules

provide for a schedule to the Ind AS 104, setting out the financial reporting requirements for insurance contracts.

(The Companies (Indian Accounting Standards) Third Amendment Rules, 2024 issued by the Ministry of Corporate Affairs is accessible [here](#).)

SECURITIES LAWS

4. **The Securities and Exchange Board of India (SEBI) issued a press release notifying the establishment of Foreign Portfolio Investor (FPI) Outreach Cell (September 25, 2024):**

The SEBI had issued a press release notifying the establishment of a Foreign Portfolio Investor (FPI) Outreach Cell as a part of the Alternative Investment Fund and Foreign Portfolio Investors Department (AFD). As per the press release, the cell will focus on direct engagement with FPIs, and support them in accessing the Indian securities market seamlessly. The FPI Outreach Cell may be reached out at fpioutreach@sebi.gov.in

(The press release bearing number PR No. 23/2024 issued by the SEBI is accessible [here](#).)

5. **The Securities and Exchange Board of India (SEBI) issued a consultation paper on the proposal to exempt certain transactions from trading window restrictions (September 26, 2024):**

The SEBI has issued a consultation paper on the proposal to exempt certain transactions from trading window restrictions. The objective of the consultation paper is to seek comments from the members of public on the proposal for exempting certain transactions including subscription to non-convertible securities from trading window restrictions norms for enhancing the ease of doing business. The trading window restrictions are imposed on certain designated persons, who can reasonably hold unpublished price sensitive information, under the SEBI (Prohibition of Insider Trading) Regulations, 2015. While certain transactions have already been excluded from the trading window restrictions, the consultation paper seeks to explore the viability of excluding other transactions such as subscription to non-convertible securities from the trading window restrictions.

(The consultation paper on the proposal to exempt certain transactions from trading window restrictions issued by the Securities and Exchange Board of India is accessible [here](#).)

6. **The Securities and Exchange Board of India (SEBI) issued a circular providing operational guidelines for Foreign Venture Capital Investors (FVCI) and Designated Depository Participants (DDPs) (September 26, 2024):**

The SEBI had issued a circular issuing operational guidelines for Foreign Venture Capital Investors (FVCIs) and Designated Depository Participants (DDPs). The SEBI (FVCI) Regulations, 2000 were amended vide a notification dated September 05, 2024, which shall come in force from January 01, 2025. The said amendment provided for provisions in relation to the registration of FVCI through DDPS, eligibility conditions, renewal of registrations etc. For the smooth adoption of the amendment, the SEBI has issued necessary guidance in the form of operational guidelines. The provisions of the circular shall come into force from January 01, 2025.

(The circular bearing number SEBI/HO/AFD/AFD-POD-1/P/CIR/2024/130 issued by the SEBI is accessible [here](#).)

7. The Securities and Exchange Board of India (SEBI) held the 207th meeting of the SEBI Board (September 30, 2024):

The SEBI has issued a circular notifying that it has conducted the 207th meeting of the SEBI Board in Mumbai. The following are the key announcements made in the said meeting of the Board:

- (a) the Board approved the proposal to review the regulatory regime applicable to Investment Advisors (IAs) and Research Analysts (RAs). The Board has approved for relaxation of eligibility criteria and ease of compliance requirements applicable to IAs and RAs.
- (b) The Board has approved for the completion of the rights issue process within 23 working days from the date of issuer's board meeting, against the average of 317 days. For undertaking the faster rights issue process, the SEBI has approved to discontinue the requirement to file a draft letter of offer with the SEBI to seek observations.
- (c) the Board approved to amend the SEBI (LODR) Regulations, 2015 and the SEBI (ICDR) Regulations, 2018 to facilitate the ease of doing business. The key proposals under the SEBI (LODR) Regulations, 2015 include introduction of a single filing system for listed entities on one exchange which will be disseminated to other exchanges, integration of periodic filings into two categories viz., Integrated Filing (Governance) and Integrated Filing (Financial), system driven disclosure of shareholding pattern, and extended timelines to disclose certain material events. The key proposals under the SEBI (ICDR) Regulations, 2018 include merging 'pre-issue advertisement' and 'price band advertisement' as a single advertisement and mandating disclosure of certain information through a QR code link, permitting voluntary disclosure of financials for acquisition or divestment already undertaken or proposed to be undertaken, and harmonization of the provisions of the ICDR and the LODR Regulations.

- (d) The Board approved amendments to the SEBI (Merchant Bankers) Regulations, 1992, the SEBI (Bankers to an Issue) Regulations, 1994, and the SEBI (Buy-Back of Securities) Regulations, 2018, for ease of doing business.
- (e) The Board approved amendments to the SEBI (Mutual Funds) Regulations, 1996 for the introduction of a new investment product under the existing Mutual Fund framework, to bridge the gap between mutual funds and portfolio management services.
- (f) The Board approved the introduction Mutual Funds Lite (MF Lite) framework for passively managed schemes of Mutual Funds.

(The press release bearing number PR No. 25/2024 issued by the SEBI is accessible [here](#).)

8. The Securities and Exchange Board of India (SEBI) issued a circular on the measures to strengthen Equity Index Derivative Framework for Increased Investor Protection and Market Stability (October 01, 2024):

In order to review the existing regulatory measures for investor protection while ensuring the orderly development and strengthening of equity derivatives market, the SEBI formed an Expert Working Group on derivatives, to suggest measures for investor protection and market stability. On the basis on the comments of the Expert Working Group and subsequent deliberations in the Secondary Market Advisory Committee of the SEBI, a consultation paper was issued by the SEBI on July 30, 2024. Based on the said consultation paper, the SEBI has put in place measures to strengthen the equity index derivative framework. The key measures include: (a) upfront collection of option premium from the option buyers by the trading members/clearing members, apart from the initial margin and extreme loss margin; (b) removal of calendar spread treatment on the expiry date; (c) intraday monitoring of position limits; (d) contract size for index derivatives; and (e) rationalization of weekly index derivatives products.

(The circular bearing number SEBI/HO/MRD/TPD-1/P/CIR/2024/132 issued by the SEBI is accessible [here](#).)

9. The Securities and Exchange Board of India (SEBI) issued a circular on relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (October 03, 2024):

The SEBI had, vide a circular dated October 07, 2023, had relaxed the applicability of regulation 36(1)(b) of the SEBI (LODR) Regulations, 2015 for annual general meetings and regulation 44(4) of the SEBI (LODR) Regulations, 2015 for general meetings (in electronic mode) held till September 30, 2024 based on the relaxations provided by the MCA. The MCA, vide a general circular dated September 19, 2024, has extended the relaxation till September

30, 2025. In view of the same, the SEBI has also decided to extend the relaxations mentioned in circular dated October 07, 2023 till September 30, 2025.

(The circular bearing number SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 issued by the SEBI is accessible [here](#).)

OTHERS

10. The Insolvency and Bankruptcy Board of India amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (September 24, 2024):

The Insolvency and Bankruptcy Board of India notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2024. The Amendment Regulations provide for the appointment of an interim representative to represent a class of creditor during the period when the application for appointment of the authorized representative is under consideration of the Adjudicating Authority for approval. The interim representative shall have the same rights and responsibilities as an authorized representative in meetings of the committee of creditors.

(The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2024 is accessible [here](#).)

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