

# BHANDARI & ASSOCIATES

## Company Secretaries

## REGULATORY UPDATES

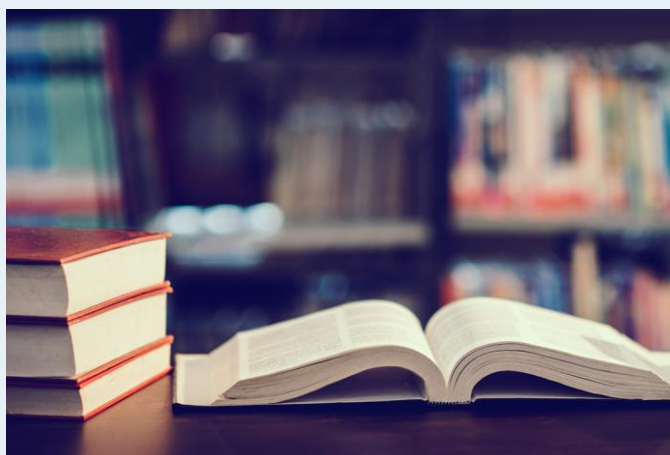
### January, 2023

#### **ABOUT US:**

Bhandari & Associates was formed in the early 80's and is one amongst India's oldest practicing firms.

Our Firm is a full-service corporate law advisory firm. It assists in compliance with the Companies Act, 2013, and a wide array of other corporate laws and regulations for starts-up, medium and large Companies.

Our Regulatory Updates aim to provide an overview of the key Circulars, Notifications and Amendments by regulators/ entities including Ministry of Corporate Affairs (MCA), Securities Exchange Board of India (SEBI), Reserve Bank of India (RBI) and Stock Exchanges (BSE and NSE).



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*"We are what we repeatedly do. Excellence, then is not an act, but a habit."*

*- Aristotle*

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## Ministry of Corporate Affairs (MCA)

### 1. Release Plan of 45 company e-Forms in MCA 21 Version 3.0-reg.

*(Notification date: January 09, 2023)*

MCA has allowed additional time of 15 days, without levying additional fees, to stakeholders for filing of 45 e-forms whose due dates for filing is between January 07, 2023 and January 22, 2023. The list of 45 e-forms can be accessed through the below link.

Accessible here: <https://www.mca.gov.in>

### 2. Filings of Forms GNL-2 (filing of prospectus related documents) and MGT-14 (filing of Resolutions relating to prospectus related documents) due to migration from V2 Version to V3 Version in MCA 21 Portal from 7th January, 2023 to 22nd January, 2023

*(Notification date: January 09, 2023)*

Representations had been received in the Ministry requesting for clarification about filing of Form GNL-2, for the purposes of filing prospectus related documents and MGT-14 during 7th January, 2023 to 22<sup>nd</sup> January, 2023 when such forms were not available for filing in V2 version due to migration to V3 version in MCA-21 Portal. The stakeholders had further stated that such forms were required to be filed due to time bound activities.

Hence, MCA had decided that the companies intending to file (i) Form GNL-2 (filing of prospectus related documents) and (ii) MGT-14 (filing of Resolutions relating to prospectus related documents) during 7th January, 2023 to 22<sup>nd</sup> January, 2023 on the MCA-21 Portal may file such Form in physical mode duly signed by the persons concerned as per requirements of the relevant forms, along with a copy thereof in electronic media, with the concerned Registrar without payment of fee and take acknowledgement (as per Annexure to this Circular) thereof. Such filing was required to be accompanied by an undertaking from the company that once the filing of such Form is enabled on the portal, the company shall file the relevant Form in electronic form on MCA-21 Portal alongwith fees payable as per Companies (Registration Offices and Fees) Rules, 2014.

Accessible here: <https://www.mca.gov.in>

### 3. Launch of 56 Company Forms in MCA21-V3 Portal

With the objective of better service facilities, the Ministry of Corporate Affairs have migrated 56 Company e-Forms (now web-based) to its MCA21 V3 portal. As a consequence, MCA has notified the following amended rules that came into force with effect from January 23, 2023:

1. Companies (Incorporation) Amendment Rules, 2023

(Accessible here: <https://www.mca.gov.in>)

2. Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2023

(Accessible here: <https://www.mca.gov.in>)

3. Companies (Miscellaneous) Amendment Rules, 2023  
(Accessible here: <https://www.mca.gov.in>)
4. Companies (Appointment and Qualification of Directors) Amendment Rules, 2023  
(Accessible here: <https://www.mca.gov.in>)
5. Companies (Authorised to Register) Amendment Rules, 2023  
(Accessible here: <https://www.mca.gov.in>)
6. Companies (Accounts) Amendment Rules, 2023  
(Accessible here: <https://www.mca.gov.in>)
7. Companies (Prospectus and Allotment of Securities) Amendment Rules, 2023  
(Accessible here: <https://www.mca.gov.in>)
8. Companies (Management and Administration) Amendment Rules, 2023  
(Accessible here: <https://www.mca.gov.in>)
9. Companies (Registration of Offices and Fee Companies) Amendment Rules, 2023  
(Accessible here: <https://www.mca.gov.in>)
10. Companies (Share Capital and Debentures) Amendment Rules, 2023  
(Accessible here: <https://www.mca.gov.in>)

New Formats of RUN, INC-4, INC-6, INC- 9, INC-12, INC-13, INC-18, INC-20, INC-20A, INC-22, INC-23, INC-24, INC-27, INC-28, INC-31, SPICE+ (INC-32), INC-33, INC-34, INC-35, RD-1, MR-1, MR-2, MSC-1, MSC-3, MSC-4, DIR-3, DIR-3C, DIR-5, DIR-6, DIR-8, DIR-9, DIR-10, DIR-11, DIR-12, URC-1, AOC-5, FC-1, FC-2, FC-3, FC-4, PAS-2, PAS-3, PAS-6, MGT-3, MGT-14, GNL-2, GNL-3, GNL-4, SH-7, SH-8 and SH-9 have been notified through the above amendments.

## Securities and Exchange Board of India (SEBI) (Regulations)

### 1. Securities Contracts (Regulation) (Amendment) Rules, 2022

(Circular date: January 02, 2023)

SEBI, vide this amendment, has substituted the definition of Government Company in the Securities Contracts (Regulation) Rules, 1957 to align it with the definition under Companies Act, 2013 as follows:

*“Government company” means a Government company as defined in clause 45 of section 2 of the Companies Act, 2013 (18 of 2013);*

Further, this amendment has also substituted sub-rule (6) of rule 19A the Securities Contracts (Regulation) Rules, 1957 in the following manner -

*“6) Notwithstanding anything contained in sub-rules (1) to (5), the Central Government may, in public interest, exempt any listed entity in which the Central Government or State Government or public sector company, either individually or in any combination with other, hold directly or indirectly, majority of the shares or voting rights or control of such listed entity, from any or all of the provisions of this rule.*

**Explanation.** -- *For the purposes of this rule, the exemption shall continue to be valid for the period specified therein, irrespective of any change in control of such listed entity subsequent to issuance of such exemption.”*

Accessible here: <https://www.sebi.gov.in>

### 2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2023

(Circular date: January 17, 2023)

SEBI, vide this amendment, has specifically excluded the board of directors of a listed company from the definition of senior management in the following manner –

*“(d) “senior management” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.”*

Further, shareholders’ approval is required now in case of re-appointment of a person to the Board of Directors or as a manager, at the next general meeting or within 3 months from date of appointment, whichever is earlier.

In case of a Public Sector Company, shareholders’ approval for appointment/ re-appointment will have to be taken at the next general meeting.

Furthermore, in Schedule V (Annual Report), in Paragraph C (Corporate Governance Report), under Other Disclosures in sub-para (10), the following clause has been inserted, namely-

“(n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.”

The below link may be referred for further details on the amendments.

Accessible here: <https://www.sebi.gov.in>

### 3. Securities and Exchange Board of India (Stock Brokers) (Amendment) Regulations, 2023 (Circular date: January 17, 2023)

SEBI, vide this amendment, has notified a new clause in respect of qualified stock broker. Pursuant to the amendment, SEBI may designate a stock broker as a qualified stock broker having regard to its size and scale of operations, likely impact on investors and securities market, as well as governance and service standards, on the basis of the following parameters and the appropriate weightages:

- a) the total number of active clients;
- b) the available total assets of clients with the stock broker;
- c) the trading volumes of the stock broker;
- d) the end of day margin obligations of all clients of a stock broker;
- e) compliance score as may be specified by the Board;
- f) grievance redressal score as may be specified by the Board; and
- g) the proprietary trading volumes of the stock broker.

Such qualified stock broker shall be required to meet enhanced obligations and discharge responsibilities as well.

Below link may be referred for further details on the amendments. They came into force with immediate effect. However, the amendments in Regulation 17, Schedule V and Schedule VI shall come into force on such date as SEBI may by notification appoint in the Official Gazette.

Accessible here: <https://www.sebi.gov.in>

## Securities and Exchange Board of India (SEBI) (Circulars)

### 4. Limited relaxation – dispatch of physical copies of financial statements etc. – Regulation 58 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Circular date: January 05, 2023)

SEBI vide Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 had inter-alia, relaxed certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) related to dispatch of hard copy of Annual Report to debenture holders, pursuant to relaxations granted by MCA. Thereafter, vide Circular no. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022, the said relaxations were extended till December 31, 2022. MCA vide Circular dated December 28, 2022 has, inter-alia, now extended the relaxations from dispatching of physical copies of financial statements due in the year 2023 (i.e. till September 30, 2023).

Considering the above, SEBI has relaxed up to September 30, 2023, the requirements of Regulation 58 (1)(b) of the Listing Regulations which prescribes that an entity with listed non-convertible securities shall send a hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013 and rules made thereunder to those holders of non-convertible securities who have not registered their email address(es) either with the listed entity or with any depository.

Accessible here: <https://www.sebi.gov.in>

### 5. Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Circular date: January 05, 2023)

SEBI, vide circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, had inter-alia relaxed the requirements specified in regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) relating to dispatching hard copy of the statement containing salient features of all the documents as prescribed in section 136 of the Companies Act, 2013 (financial statements, Board’s report, Auditor’s report etc.), to those shareholders who have not registered their email addresses. The said relaxation was initially extended till December 31, 2021 and was subsequently extended upto December 31, 2022, vide SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (“SEBI Circular”).

After consideration, SEBI has extended the relaxations provided in para 2 and 4 of the SEBI Circular till September 30, 2023. The listed entities are required to ensure compliance with the conditions specified in para 2 and 3 of the said circular which is reproduced below:

- a. In terms of regulation 36(1)(c) of the LODR Regulations, listed entities are required to send hard copy of full annual reports to those shareholders who request for the same.
- b. The notice of AGM published by advertisement in terms of regulation 47 of the LODR Regulations shall disclose the web-link to the annual report so as to enable shareholders to have access to the full annual report.

Accessible here: <https://www.sebi.gov.in>

## 6. Management and advisory services by AMCs to Foreign Portfolio Investors

(Circular date: January 06, 2023)

SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/155 dated December 16, 2019 (hereinafter referred to as “SEBI Circular dated December 16, 2019”) specifies the categories of Foreign Portfolio Investors (FPIs), to which the AMCs may provide management and advisory services in terms of Regulation 24(b) of SEBI (Mutual Funds) Regulations, 1996. Accordingly, AMCs may provide management and advisory services to FPIs operating from International Financial Services Centres (IFSC) and regulated by International Financial Services Centres Authority (IFSCA) and falling under the categories specified in the aforementioned SEBI circular.

SEBI, vide this circular decided that AMCs may also provide management and advisory services to FPIs operating from IFSC and regulated by IFSCA, not falling under the categories of FPIs specified under para 2(i) of SEBI Circular dated December 16, 2019, subject to the following:

- a. Such FPI shall be allowed to invest in mutual fund schemes other than the schemes in the category of “thematic” as defined in SEBI Circular No. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 6, 2017.
- b. For investment in equity and equity derivative securities listed on recognized stock exchanges in India, such FPI shall not take contra-position for a period of six months from the date of purchase or sale of such securities.

Accessible here: <https://www.sebi.gov.in>

## 7. Comprehensive Framework on Offer for Sale (OFS) of Shares through Stock Exchange Mechanism

(Circular date: January 10, 2023)

Based on the feedback received from various market participants, discussions with Stock Exchanges, Clearing Corporations and deliberations in the Secondary Market Advisory Committee (SMAC), SEBI, vide this circular, has modified certain provisions of the existing OFS framework through the Stock Exchange Mechanism.

Certain key highlights of the new framework are as follows:

1. All the promoters, promoter group entities, or non-promoter shareholders of the companies that are eligible for trading and are required to increase public shareholding to meet the minimum public shareholding requirements are eligible sellers to offer shares through the OFS mechanism.
2. OFS mechanism shall also be available to companies with market capitalization of INR 1,000 Cr. And above, with the threshold of market capitalization computed as the average daily market capitalization for six months’ period prior to the month in which the OFS opens. Any promoter or promoter group entity or non-promoter shareholder of such companies may offer shares through this mechanism.
3. All investors registered with the brokers of the of the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Metropolitan Stock Exchange of India (MSEI) other than the promoter(s) or promoter group entities shall be eligible to buy shares under OFS.
4. The cooling off period for transaction (i.e. purchase or sale prior to and after the offer) in the shares of the company for the promoter(s) or promoter group entities and non-promoter shareholders for offering the shares through OFS mechanism shall be based on the liquidity of the shares on exchanges and are as under:



- i. For most liquid shares: +2 weeks
  - ii. For liquid shares: +4 weeks and
  - iii. For illiquid shares: +12 weeks
5. The size of the offer shall be a minimum of INR25 Cr. However, size of offer can be less than INR 25 crore by promoter(s) or promoter group entities so as to achieve minimum public shareholding in a single tranche.
6. The OFS may be withdrawn prior to its proposed opening. In such a case there will be a cooling off period of 10 trading days from the date of withdrawal before an offer is made once again. The stock exchange(s) shall suitably disseminate details of such withdrawal.
7. Cancellation of offer shall not be permitted during the bidding period. If the seller(s) fails to get sufficient demand from non-retail investors at or above the floor price in T day, then the seller may choose to cancel the offer, post bidding, in full (both retail and non-retail) on T day and not proceed with offer to retail investors on T+1 day. The stock exchange(s) shall suitably disseminate details of such cancellation.

The provisions of this Circular shall come into effect from 30<sup>th</sup> day of issuance of this circular. The below link may be referred for a detailed reading.

Accessible here: <https://www.sebi.gov.in>

## Stock Exchange(s)

1. Circular for seeking comments, feedback from Listed Entities for XBRL being introduced for issuance of securities, alteration of capital, action which will result in alteration of the terms or structure of any existing securities, any restriction on transferability of securities or forfeiture of securities, alteration, any restriction on transferability of securities.

*(Circular date: January 05, 2023)*

Listed entities are required to submit periodical compliance filings to Stock Exchange(s) within prescribed timelines as laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly it was mandated to report financials in eXtensible Business Reporting Language (XBRL) format from year 2015 onwards.

Over the period, Stock Exchanges in a phased manner have been aiming to convert filings made under SEBI Regulations from Portable Document Format (PDF) to XBRL. With an objective to standardise securities market data it was deliberated that XBRL would be implemented for all corporate filings. Accordingly, Stock Exchanges have implemented XBRL based compliance filing mechanism featuring identical and homogenous compliance data structures which will not only ease the compliance burden on listed entities but also will enable analysis on the data submitted by the listed entities.

Hence, in this regard, NSE, vide this Circular, had sought comments / feedback on the proposal to migrate from PDF to XBRL format exclusively for submitting corporate announcements pertaining to issuance or forfeiture of securities, split or consolidation of shares, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc. as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) read along with SEBI Circular dated September 09, 2015, as amended from time to time and such applicable laws. These comments could have been sent latest by January 08, 2023.

Accessible here: <https://static.nseindia.com>

2. Filing of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 disclosures to Exchange

*(Circular date: January 06, 2023)*

This is in continuation to Exchange Circular no NSE/CML/2022/03 dated January 06, 2022, and Circular Ref. No: NSE/CML/2022/09 dated February 17, 2022, informing about the launch of New Digital Portal which was made live for filings with the Exchange.

With reference to above, NSE has informed that filing of disclosure under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 will now be required to be filed on Takeover Email ID (takeover@nse.co.in) with effect from January 07, 2023.

Contact details of the Exchange Officers are available on the NEAPS portal and the companies can get in touch with the respective officers for issues and queries pertaining to filings of SEBI (SAST) Regulations, 2011.

Accessible here: <https://static.nseindia.com>

3. Circular for seeking comments, feedback from Listed Entities for XBRL being introduced for submission of Announcements pertaining to all Notices of Shareholders Meeting in phase manner

(Circular date: January 10, 2023)

With an objective to standardise securities market data, NSE, vide this Circular, had sought comments / feedback on the proposal for filing of announcement pertaining to all notices of shareholders meeting, in XBRL exclusively in a phased manner as follows:

Phase I – Details of only the agenda heading will be captured

Phase II – All the details forming part of the notice will be captured

Comments/feedback could have been sent latest by January 12, 2023.

Accessible here: <https://static.nseindia.com>

4. Circular for seeking of comments / feedback on the XBRL being introduced for submission of Announcements pertaining to Corporate Debt Restructuring

(Circular date: January 11, 2023)

With an objective to standardise securities market data, NSE, vide this Circular, had sought comments / feedback on the proposal for filing of announcement pertaining to Corporate Debt Restructuring, in XBRL exclusively.

Comments/feedback could have been sent latest by January 13, 2023.

Accessible here: <https://static.nseindia.com>

5. Standard Operating Process under SEBI (PIT) Regulations, 2015 for ensuring compliance with Structured Digital Database (SDD)

(Circular date: January 25, 2023)

In furtherance to Stock Exchange Circulars dated October 28, 2022 and November 04, 2022, specifying timelines for submission of SDD Compliance Certificate for the quarter ended September 30, 2022, and December 31, 2022 and consequences of non-compliance with the requirements of Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015, respectively, companies were advised to note the following:

Exchange circular no. 20221104-37 dated November 04, 2022, specifies consequences of non-compliance with Reg 3(5) and 3(6) of SEBI (PIT) Regulations, 2015 states as under:

*“Under the “Get Quote” page of the Exchange Website of the Listed Entity, wherever listed, would display that the company is non-compliant with SDD, from the next trading day till the Exchanges have satisfactorily verified that the company has completely complied.”*

It was clarified that in addition to above, the name of the compliance officer will also be displayed on the “Get Quote” page of the Exchange website where the above information is disseminated.

It is to be noted that initial circulars with BSE notice number 20230125-9 and NSE notice number NSE/CML/2023/09 dated January 25, 2023 pertaining to the above were superseded by circulars with BSE notice number 20230125-33 and NSE notice number NSE/CML/2023/10 dated January 25, 2023 (“subsequent circulars”), respectively. The initial circulars contained the following clause as well:

The listed entities to whom the provisions of Regulation 24A of SEBI(LODR) Regulations, 2015 are applicable, the Secretarial Auditor of those entities shall also specifically confirm compliance with the requirement of SDD by the listed entities in its Annual Secretarial Audit Report. Listed companies are advised to bring to the knowledge of their Secretarial Auditor the above requirement.

However, the same was omitted in the subsequent circulars issued by the Stock Exchanges. These circulars may be referred through the links given below.

Accessible here:

<https://www.bseindia.com>      <https://static.nseindia.com>  
<https://www.bseindia.com>      <https://static.nseindia.com>

#### 6. Filing of announcements in XBRL format on BSE listing centre and NSE Electronic Application Processing System (NEAPS) platform

*(Circular date: January 27, 2023)*

Facility for filings of disclosure for following announcements filed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) will be available in XBRL format with effect from January 28, 2023: (‘effective date’):

Disclosure under Regulation 29 of SEBI LODR:

- Prior Intimation of the Board Meeting.

Disclosure under Regulation 30 of SEBI LODR:

- Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor, Compliance Officer and Share transfer agent.
- Outcome of Board Meeting for Dividend, Buyback, Bonus Issue and decision on voluntary delisting by the listed entity.
- Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Currently, as a part of compliance, all listed entities are required to submit the disclosures in PDF mode as per the provisions of Regulation 30 of the SEBI (LODR) Regulations. Further, all listed entities would be required to submit the filings in XBRL mode within 24 hours of submission of the said PDF filing. It was also informed that BSE and NSE will shift to only XBRL submission at a later stage (date to be informed separately).

Accessible here:

<https://www.bseindia.com>

<https://static.nseindia.com>

## 7. Generating Awareness on Availability of Dispute resolution mechanism at Stock Exchanges against Listed Companies/Registrar to an Issue and Share Transfer Agents (RTAs)

(Circular date: January 30, 2023)

SEBI has issued letter having Ref no. SEBI/HO/OIAE/2023/03391 dated January 27, 2023 regarding "Generating Awareness on Availability of Dispute resolution mechanism at Stock Exchanges against Listed Companies/Registrar to an Issue and Share Transfer Agents (RTAs)"

In an attempt to enhance the awareness of investors about the availability of arbitration facility at Stock Exchange for their dispute, if any, against listed companies/RTAs, SEBI has advised all listed companies to issue the following intimation, either by e-mails or by SMSes to all investors, who hold shares in physical form.

*"If you have any dispute against a listed company and or its Registrar and Share Transfer Agent (RTA) on delay or default in processing your request, as per SEBI circular dated 30.05.2022, you can file for arbitration with Stock Exchange.*

*For more details, please see the web links of the stock exchanges -*

*BSE- <http://tiny.cc/m112vz>*

*NSE- <http://tiny.cc/s112vz>"*

In this regard, listed companies are required to coordinate with their RTAs and arrange to issue the aforesaid message, latest by February 20, 2023.

Additionally, Listed Companies and RTAs are welcome to spread the cited investor protection message through digital modes available at their disposal, including, website, mobile application, social media handle(s) etc.

Accessible here: <https://www.bseindia.com>

## 8. Attention is drawn to rule 19A (5) of the Securities Contracts (Regulation) Rules, 1957 (SCRR) pursuant to Notification dated June 18, 2021 issued Ministry of Finance (MOF)

(Circular date: January 31, 2023)

Ministry of Finance (MoF) vide its Notification dated June 18, 2021 has amended rule 19A (5) of the Securities Contracts (Regulation) Rules, 1957 (SCRR). Amended Rule 19A (5) of SCRR is reproduced hereunder with amended portion in BOLD text:

(5) Where the public shareholding in a listed company falls below twenty-five per cent, as a result of implementation of the resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), such company shall bring the public shareholding to twenty-five per cent within a maximum period of three years from the date of such fall, in the manner specified by the Securities and Exchange Board of India:

Provided that, if the public shareholding falls below ten per cent, the same shall be increased to at least ten per cent, within a maximum period of twelve months from the date of such fall, in the manner specified by the Securities and Exchange Board of India.

**[Provided further that, every listed company shall maintain public shareholding of at least five per cent as a result of implementation of the resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016.]**

In view of the same, Resolution Professionals of listed entity/ies undergoing Corporate Insolvency Resolution Process (CIRP), were advised to ensure that resolution plans approved by NCLT is compliant with the aforementioned provisions and other applicable provisions/regulations as amended from time to time.

It was further advised that Listed Company / RP shall take all requisite steps to modify the resolution plans to ensure compliance with aforesaid requirement; regardless of stage of CIRP process.

Accessible here: <https://www.bseindia.com>

## Reserve Bank of India (RBI)

### 1. Foreign Investment in India - Rationalisation of reporting in Single Master Form (SMF) on FIRMS Portal *(Circular date: January 04, 2023)*

RBI vide this circular has rationalized the reporting in Single Master Form (SMF) on FIRMS Portal by implementing following changes with respect to the reporting of foreign investment in SMF on FIRMS portal:

- i. The forms submitted on the portal will be auto-acknowledged. The AD banks shall verify the same within five working days based on the uploaded documents, as specified.
- ii. In cases of delayed reporting, the AD banks shall either advise the Late Submission Fee (LSF) to the applicants, which will be computed by the system or advise for compounding of contravention, as the case may be.

All forms submitted with the requisite documents will be auto-acknowledged on the FIRMS portal with a time stamp and an auto-generated e-mail will be sent to the applicant.

The below link may be referred for further details.

Accessible here: <https://rbidocs.rbi.org.in>

### 2. Basel III Capital Regulations - Eligible Credit Rating Agencies *(Circular date: January 09, 2023)*

RBI vide this circular has advised the Banks to use the ratings of the following domestic credit rating agencies for risk weighting their claims for capital adequacy purposes:

- a. Acuite Ratings & Research Limited (Acuite)
- b. Credit Analysis and Research Limited (CARE);
- c. CRISIL Ratings Limited;
- d. ICRA Limited;
- e. India Ratings and Research Private Limited (India Ratings); and
- f. INFOMERICS Valuation and Rating Pvt Ltd. (INFOMERICS)

Accessible here: <https://rbidocs.rbi.org.in>

### 3. Master Direction – Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 *(Circular date: January 16, 2023)*

RBI vide this circular has issued a Master direction on Acquisition and Holding of Shares or Voting Rights in Banking Companies. These directions has been issued with the intent of ensuring that the ultimate ownership and control of banking companies are well diversified and the major shareholders of banking companies are 'fit and proper' on a continuing basis.

This Master Direction may be read along with the ‘Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies’ issued by the Reserve Bank of India.

According to this Direction, any person who intends to make an acquisition which is likely to result in major shareholding in a banking company will need prior approval from the regulator. The RBI in this Master direction has defined “major shareholding” as “aggregate holding” of 5 per cent or more of the paid-up share capital or voting rights in a banking company by a person. Subsequent to such acquisition, if at any point in time the aggregate holding falls below five per cent, the person will be required to seek fresh approval from the Reserve bank if the person intends to again raise the aggregate holding to five percent or more of the paid-up share capital or total voting rights of the banking company.

This Master Direction comprises of four chapters and two annexures which can be accessed through the below link.

Accessible here: <https://rbidocs.rbi.org.in>

#### 4. Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies (Circular date: January 16, 2023)

RBI vide this circular has issued Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies and the contents of these Guidelines shall be read along with Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023, and applicable provisions of the Banking Regulation Act, 1949.

These Guidelines consists of the following in detail: -

- Prior approval for acquisition of shares or voting rights in a banking company
- Information to be provided for continuous monitoring
- Limits on shareholding
- Lock-in requirement
- Ceiling on voting rights

The below link may be referred for further details.

Accessible here: <https://rbidocs.rbi.org.in>

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## Disclaimer

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