

SNR & COMPANY
CHARTERED
ACCOUNTANTS



Corporate Law Bulletin

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A. MINISTRY OF CORPORATE AFFAIRS

Merger of Multiple User IDs in V-2 portal with new User ID in V-3 and deactivation of old user ID in V-2 portal

Ministry of Corporate Affairs vide notification dated 12 th July 2023 has provided directions for Merger of Multiple User IDs in V-2 Portal with new User ID in V-3 and deactivation of old User ID in V- Portal. It has come to the notice of this Ministry that many members of the three institutes viz. Institute of Chartered Accountants of India, Institute of Cost Accountants of India and Institute of Company Secretaries of India have created multiple user IDs while transacting on existing MCA21 V2 portal.

It has been decided that all such members may approach the respective institutes with their credentials and the institute shall make recommendations for merging multiple existing user IDs with the ID created in V3 portal or for deactivation of the old user IDs in V2, to enable desirous members to create a new ID in V3 portal.

B. COMPETITION LAW

CCI approves acquisition of Marnix Lux by Concentrix Corporation and shareholding in combined company by the shareholders of Marnix Lux

The proposed combination envisages indirect acquisition of Marnix Lux SA (Marnix Lux) by Concentrix Corporation, and acquisition of approximately 22% shareholding in combined company by the shareholders of Marnix Lux. Concentrix Corporation is a USA based publicly listed company. It is said to be engaged in providing customer experience services, a segment of Information Technology and Information Technology enabled Services. Marnix Lux is the parent company of Web help S.A.S. (Web help). Web help is said to be active in the provision of business process outsourcing services and specialised services.

For details: <https://www.cci.gov.in/media-gallery/press-release/details/305/0>

C. INSOLVENCY & BANKRUPTCY

Zee, IndusInd settle dues; NCLAT disposes of NCLT insolvency order

The National Company Law Appellate Tribunal has on July 03, 2023 disposed of the National Company Law Tribunal (NCLT) order admitting IndusInd Bank's insolvency plea against Zee Entertainment after both parties announced that all dues have been settled. The appellate tribunal also told both parties to pay their dues to the Interim Resolution Professional. Both parties had told the NCLAT in March 2023 that they had reached a settlement in relation to their payment dispute.

For more details: https://www.business-standard.com/companies/news/zee-indusind-settle-dues-nclat-disposes-of-nclt-insolvency-order-123070300810_1.html

D. BANKING

IDFC to merge with IDFC First Bank

The board of directors of IDFC First Bank on July 03, 2023, approved the scheme of amalgamation of its parent IDFC Ltd. with IDFC First Bank. The share exchange ratio for the amalgamation will be 155 equity shares of face value of Rs 10 of IDFC First Bank for every 100 equity shares of face value of Rs 10 of IDFC Ltd. IDFC Ltd shares which closed with a gain of 6.29 per cent at Rs. 109.10 has a market capitalization of Rs. 17,455 crores.

For details: <https://indianexpress.com/article/business/banking-and-finance/idfc-to-merge-with-idfc-first-bank-8699733/>

HSBC returns to private banking in India to tap growing wealth

HSBC Holdings PLC said it began private banking operations in India, marking a return to the market as Europe's largest lender seeks to serve the nation's growing rich. The business is aimed at professionals, entrepreneurs and their families with investable assets of more than \$2 million, the London-based bank said in a statement on July 04, 2023.

For details: <https://www.financialexpress.com/industry/banking-finance/hsbc-returns-to-private-banking-in-india-to-tap-growing-wealth/3155179/>

World Bank Approves \$1.5 Billion in Financing to Support India's Low-Carbon Transition (June 30, 2023)

The World Bank's Board of Executive Directors approved \$1.5 billion in financing to accelerate India's development of low-carbon energy. The financing will help India promote low-carbon energy by scaling up renewable energy, developing green hydrogen, and stimulating climate finance for low-carbon energy investments.

For details: <https://esgnews.com/world-bank-approves-1-5-billion-in-financing-to-support-indias-low-carbon-transition/>

Report of the Inter-Departmental Group (IDG) on internationalization of INR

The Reserve Bank of India (RBI) on July 05, 2023, placed on its website the report of Inter-Departmental Group (IDG). The report and its recommendations reflect the views of the IDG and do not in any way reflect the official position of the Reserve Bank of India. The recommendations of the report will be examined for implementation. An IDG of the RBI was formed to examine the internationalisation of INR. The objective of the IDG was to review the extant position of INR as an international currency and to frame a road map for the internationalisation of INR.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55989

RBI invites comments on draft circular on Arrangements with Card Networks for issue of Debit, Credit and Prepaid Cards

The Reserve Bank of India has placed on its website the draft circular on Arrangements with Card Networks for issue of Debit, Credit and Prepaid Cards for feedback from stakeholders. Comments / Feedback, if any, may be sent by dpsfeedback@rbi.org.in, or by post to the Chief General Manager-in-Charge, Department of Payment and Settlement Systems, Central Office, Reserve Bank of India, 14th Floor, Central Office Building, Shahid Bhagat Singh Road, Mumbai - 400 001, on or before August 4, 2023.

For more details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55993

RBI may work on 'top-up' loans for home buyers in stuck projects

The Reserve Bank of India (RBI) could look at providing a "special dispensation" to enable banks to extend additional finance to customers with restructured home loan accounts in a bid to help complete stuck housing projects, people aware of the development said.

For more details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-may-work-ontop-up-loans-for-home-buyers-in-stuck-projects/articleshow/101677466.cms>

DICGC asks banks to display its logo, QR code on their websites

Deposit Insurance and Credit Guarantee Corporation (DICGC) has asked all banks to prominently display its logo and QR code on their websites and internet banking portals by August 31 with a view to create awareness about the deposit insurance scheme. Deposits up to Rs. 5 lakh in banks are insured by the DICGC. The scheme covers deposits in commercial banks, Local Area Banks (LABs), Payments Banks (PBs), Small Finance Banks (SFBs), Regional Rural Banks (RRBs), and Co-Operative Banks.

For more details: <https://www.financialexpress.com/industry/banking-finance/dicgc-asks-banks-to-display-its-logo-qr-code-on-their-websites/3172902/>

E. SECURITIES LAWS AND CAPITAL MARKET

Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), prescribes the continuous disclosure requirements for issuers of listed Non- convertible Securities, Securitized Debt Instruments and Commercial Paper. Multiple circulars have been issued, over the years, covering the operational and procedural aspects thereof.

For effective regulation of the corporate bond market and to enable the issuers and other market stakeholders to get access to all the applicable circulars at one place, SEBI has issued this Master Circular. This circular is updated till June 30, 2023.

For more details: https://www.sebi.gov.in/legal/master-circulars/jun-2023/master-circular-for-listing-obligations-and-disclosure-requirements-for-non-convertible-securities-securitized-debt-instruments-and-or-commercial-paper_73347.html

Implementation of circular on upstreaming of clients' funds by Stockbrokers (SBs)/Clearing Members (CMs) to Clearing Corporations

The SEBI tweaked the framework pertaining to upstreaming of all client funds received by stockbrokers and clearing members to clearing corporations. Under the framework, which was issued on June 08, 2023, no clients' funds would be retained by stockbrokers on an End of Day (EoD) basis. Further, clients' funds will be up streamed by stockbrokers and clearing members to clearing corporations only in the form of either cash, lien on Fixed Deposit Receipt (FDR) or pledge of units of mutual fund overnight schemes,

For more details: <https://www.sebi.gov.in/legal/circulars/jun-2023/implementation-of-circular-on-upstreaming-of-clients-funds-by-stock-brokers-sbs-clearing-members-cms-to-clearing-corporations-ccs-73314.html>

SEBI (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023

SEBI has notified the SEBI (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023 vide gazette notification dated July 03, 2023. The 'Dispute Resolution Mechanism' has been inserted in SEBI various Regulations viz. Merchant Bankers; Registrars to an Issue and Share Transfer Agents; Debenture Trustees; Mutual Funds; Custodian; Credit Rating Agencies; Collective Investment Schemes; KYC (Know Your Client) Registration Agency; Alternative Investment Funds; Investment Advisers; Research Analysts; Infrastructure Investment Trusts; Real Estate Investment Trusts; Listing Obligations and Disclosure Requirements; Foreign Portfolio Investors; Portfolio Managers; and Vault Managers. They shall come into force on the date of their publication in the Official Gazette.

For more details: <https://www.sebi.gov.in/legal/regulations/jul-2023/securities-and-exchange-board-of-india-alternative-dispute-resolution-mechanism-amendment-regulations-2023-73454.html>

SEBI (Ombudsman) (Repeal) Regulations, 2023

SEBI vide gazette notification dated July 03, 2023, notified Securities and Exchange Board of India (Ombudsman) (Repeal) Regulations, 2023. On and from the commencement of these regulations, the Securities and Exchange Board of India (Ombudsman) Regulations, 2003 shall stand repealed. While the repeal brings significant changes, it does not nullify actions, rights, liabilities, or penalties acquired or incurred under the previous regulations. Any ongoing investigations, legal proceedings, or remedies can still be pursued as if the SEBI (Ombudsman) Regulations, 2003 had not been repealed.

For more details: <https://www.sebi.gov.in/legal/regulations/jul-2023/securities-and-exchange-board-of-india-ombudsman-repeal-regulations-2023-73427.html>

SEBI says tightened FPI regulations, but tax havens pose a global challenge.

SEBI has said that despite tightening norms to lift the veil around the 'opaque structure' of Foreign Portfolio Investors (FPIs), the regulator has faced a wall since entities controlling FPIs are in jurisdictions which leave ambiguity around entities that have economic interest in FPIs, but no ostensible control. An expert committee appointed by the Supreme Court in May had said that the difficulties experienced by SEBI in identifying holders of economic interest were at least partly because of the repeal, in 2019, of the 2014 provisions on "opaque structures". The expert committee was set up to investigate if there was violation of the minimum public shareholding norms and if there was a failure to disclose transactions with related parties. In its affidavit submitted in the Supreme Court, SEBI said that with the regulatory changes governing FPIs in 2018 and 2019, it had tightened the disclosure requirement for beneficial owners (BOs) of FPIs.

For more details: <https://indianexpress.com/article/business/sebi-says-tightened-fpi-regulations-but-tax-havens-pose-a-global-challenge-8825112/>

Disclosure of material events / information by listed entities under Regulations 30 and 30A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

SEBI has issued this circular consists of four annexures with respect to disclosure requirements under regulations 30 and 30A of the SEBI (LODR) Regulations, 2015 which are given below:

- **Annexure I** specify the details that need to be provided while disclosing events given in Part A of Schedule III.
- **Annexure II** specifies the timeline for disclosing events given in Part A of Schedule III.
- **Annexure III** provides guidance on when an event / information can be said to have occurred.
- **Annexure IV** provides guidance on the criteria for determination of materiality of events /information. This circular shall come into force from July 15, 2023.

For more details: <https://www.sebi.gov.in/legal/circulars/jul-2023/disclosure-of-material-events-information-by-listed-entities-under-regulations-30-and-30a-of-securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-regulations-201-73910.htm>

Now, listed firms will have to make all business deals public

Listed companies must disclose to the public all information on business deals and arrangements that have a bearing on their prospects. SEBI last week tightened the listing obligations and disclosure requirements (LODR) regulations that mandated firms to reveal all contracts and arrangements pertaining to strategic, technical, manufacturing, and marketing tie-ups to boost transparency.

For more details: <https://economictimes.indiatimes.com/markets/stocks/news/now-listed-firms-will-have-to-make-all-business-deals-public/articleshow/101840513.cms>

Compliance Calendar For the F.Y. 2023-24

Form	Particulars	Due Date
AOC-4 (OPC)	Form for filing of Financial Statement	27.09.2023
DIR-3 KYC	KYC of director/designated partner	30.09.2023
MGT-14	To be filed by the Public Company after passing Resolution of Approval of Financials Statement and Board Report in Board Meeting	within 30 days of passing of board resolution
ADT-1	Notice to Registrar for appointment of Auditor	within 15 Days of AGM
AOC-4/AOC-4XBRL	Form for filing of Financial Statement	within 30 Days of AGM
MGT-7/MGT-7A	Annual Return	within 60 Days of AGM
LLP-8	Statement of Account & Solvency	30.10.2023
MGT-7OPC	Annual Return	28.11.2023

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