



**Sanjay Grover &
Associates**
Company Secretaries

SGA

LEGAL NEWSLETTER

For the month of June, 2024



Overview

- ▶ Ministry of Corporate Affairs (“MCA)
- ▶ Securities & Exchange Board of India (“SEBI”)
- ▶ Stock Exchanges (“BSE & NSE”)
- ▶ Reserve Bank of India (“RBI”)
- ▶ Compliance Calendar for the month of July, 2024

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I MINISTRY OF CORPORATE AFFAIRS ('MCA')

E-forms updated during the month of June, 2024 [\(Please click here to download updated version of e-forms\)](#)

DESCRIPTION	NAME OF THE E-FORM	UPDATE DATE
Memorandum of Appeal	Form ADJ	June 04, 2024
Applications made to Registrar of Companies pursuant to Rule 12(2) of Registrar of Companies (Registration Offices and Fees) Rules, 2014 for compounding offences, extension of AGM up to 3 months, Scheme of the Arrangement, Amalgamation, and other reasons as provided under the Companies Act, 2013.	Form GNL-1	June 19, 2024
Application for striking off the name of Company under the Fast Track Exit (FTE) Mode	Form GNL-1	June 14, 2024
Form for filing consolidated financial statements and other documents with the Registrar for NBFCs	Form AOC-4 CFS NBFC (Ind AS)	June 04, 2024

DESCRIPTION	NAME OF THE E-FORM	UPDATE DATE
Form for filing XBRL document in respect of financial statement and other documents with the Registrar	Form AOC-4(XBRL)	June 04, 2024
Form for filing consolidated financial statements and other documents with the Registrar	Form GNL-1	June 05, 2024
Form for filing financial statement and other documents with the Registrar for NBFCs	Form AOC-4 NBFC (Ind AS)	June 05, 2024
Information by Cost Auditor to Central Government	Form 23 D	June 19, 2024

LAUNCH OF NEW COMPANY FORMS ON V3 PORTAL W.E.F JULY 15, 2024 (Please click here for accessing the MCA update)

The MCA has issued an important updated providing for launching a third set of Company forms including MSME, BEN-2, MGT-6, IEPF-1, IEPF-1A, IEPF-2, IEPF-4, IEPF-5, and IEPF-5 e-verification report, on July 15, 2024, at 12:00 AM

To facilitate the implementation of the aforesaid forms on the V3 MCA21 portal, please take note of the following points:

Disabling of Company e-Filings on V2 Portal: Company e-Filings on the V2 portal will be disabled starting from July 4, 2024, at 12:00 AM

Completion of Pending Actions: Ensure there are no SRNs pending for payment, investor details upload, or resubmission on the V2 portal

Offline Payments: The option for offline payments (Pay later) for the aforementioned 9 forms in V2 will be discontinued from July 1, 2024, at 12:00 AM. Please make payments for these forms in V2 through online modes such as Credit/Debit Card or Net Banking

Temporary Unavailability of V3 Portal: The V3 portal will be unavailable from July 13, 2024, at 12:00 AM, to July 14, 2024, at 11:59 PM, in preparation for the launch of the new forms

Continued Availability of V2 Portal: The V2 portal will remain accessible for filing all V2 forms except the aforementioned 9 forms

Kindly plan your filings accordingly and make use of the online payment options to avoid any disruptions in your filings.

II. SECURITIES & EXCHANGE BOARD OF INDIA ('SEBI')

SEBI CIRCULAR DATED JUNE 14, 2024 REGARDING MODIFICATION IN FRAMEWORK FOR OFFER FOR SALE OF SHARES TO EMPLOYEES THROUGH STOCK EXCHANGE MECHANISM ([Please click here for accessing this Circular](#))

- **Date of applicability**: The provisions of this Circular shall come into effect from 30th day of issuance of this circular i.e. w.e.f. July 13, 2024.
- **Brief background**: The SEBI vide Master Circular dated October 19, 2023 and Circular dated January 23, 2024 provided for the framework for offering shares to employees **through** stock exchange mechanism on '**T+1**' day (i.e. Trading plus one day) along with retail category under a new category called as 'Employee'.

However, based on suggestion of Secondary Market Advisory Committee, the SEBI by virtue of this Circular has decided to allow employees to place their bids **only at cut off price of 'T' day** and accordingly, the allotment price shall also be based on the **Cut off 'T' day**, subject to discount if any.

- **SGA View**: This change aims to enhance transparency and consistency by requiring employees to place bids at the T-day cut-off price, thereby streamlining the bidding process and ensuring a more accurate valuation in the offer for sale mechanism.
- **Actionable , if any** : For noting only.

AMENDMENTS TO SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS 2015 [SEBI (PIT) REGULATIONS] ([Please click here for accessing this Notification](#))

- **Date of applicability** : The Amendment Regulations [i.e. the SEBI (Prohibition of Insider Trading) (Second Amendment) Regulations, 2024 (“Amendment Regulations”)] was notified on June 25, 2024 and it would come into **force 90 days** from the date of their publication in the official gazette, **i.e. on 23 September 2024.**
- **Brief background:** ·By virtue of the e-gazette notifications dated June 25, 2024, the Central Government has issued a set of amendments tailored towards **amending the provisions of trading plan** as provided under the SEBI (PIT) Regulations. The amendments aim to ease the trading plan framework and provide flexibility in execution of trades by insiders. These insiders primarily include directors and key managerial or senior personnel who are perpetually in the possession of unpublished price-sensitive information.

- **Key features** : The key features of the amendment are as follows:
 - (i) **Time period for commencement of trading plan** : The time gap for the commencement of trading from the date of public disclosure of the trading plan has been reduced from **six months to 120 calendar days** - *Mandatory parameter*
 - (ii) **Minimum coverage for the Trading Plan**: A trading plan covering a **minimum period of 12 months is no longer required**. It should either mention a **specific date or time period not exceeding five consecutive trading days**. However, an outer limit on the duration of the time period should be provided - *Mandatory parameter*.
 - (iii) **Nature of trade**: Trading Plan should clearly **mention the nature of the trade i.e. Buy or Sell** – *Mandatory parameter*.
 - (iv) **Price Limit**: There is an option for the Trading Plan to specify either the value of trade to be executed or the number of securities to be traded (the price limit shall be rounded off to the nearest numeral) that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below (*Optional parameter*):
 - **For a buy trade**: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto 20% higher than such closing price.
 - **For a sell trade**: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto 20% lower than such closing price.

If the price of the security is outside the price limit set by the insider, the said trade cannot be executed. The purpose of this is to protect the insider from unexpected price movements, as the trading plan, once implemented, is irrevocable and should be mandatorily implemented.

- (v) Contra Trade :** Restrictions on **contra trade shall now apply** to trades executed through the trading plans.
- (vi) Exceptions for non-implementation:** Insiders are now provided the flexibility to deviate from the trading plan in the case of permanent incapacity, bankruptcy or operation of law.
- (vii) Procedure in case of non-implementation:** In cases apart from the exceptions where the insider is unable to implement the trading plan because either the price of the security is outside the set limit or the scrip has inadequate liquidity, the following procedure should be followed:
 - The insider should intimate the compliance officer within **2 days of the end of tenure of the trading plan** with reasons and supporting evidence.
 - The compliance officer will **place the information along with the recommendations before the audit committee** in its immediate next meeting.
 - The audit committee will decide whether such (full or partial) non-implementation was **bona fide or not**;
 - The compliance officer will **notify the audit committee's decision to the stock exchanges on the same day**;
 - If the audit committee does not accept the insider's submission, the compliance officer will **take action as per the code of conduct**.

(viii) Adjustments in case of corporate action: If corporate actions related to the bonus issue or stock split change the number of securities or price limit after approval of the trading plan, insiders can make further adjustments to the trading plan with the approval of the compliance officer. Said adjustment to the trading plan should be notified to the stock exchanges.

(ix) Time Period for Approval: Trading plan once submitted by the insider shall be approved or rejected by the Compliance Officer within 2 working days from the receipt of such trading plan and the same is also required to be notified to the Stock Exchanges on the date of approval.

- **Actionable if any:** ·The Listed Entities shall take note of this Circular for future compliance.

III. STOCK EXCHANGES ('BSE' & 'NSE')

BSE: The following relevant circulars have been issued during the month of June 2024

BSE CIRCULAR NO. 20240603-27 REGARDING VERIFICATION OF MARKET RUMOURS- PATH FOR SUBMISSION PATH FOR SUBMISSION ([Please click here for accessing this Circular](#))

- **Date of applicability** : June 01, 2024
- **Applicable entities** : Listed Companies
- **Brief overview** : In furtherance to the [SEBI Circular dated May 21, 2024](#) and [SEBI Circular dated May 21, 2024](#), the BSE has introduced a new sub category titled '*Rumour Verification*'- *Regulation 30(11)* under the corporate announcements module of BSE listing centre.
- **Actionable, if any** : The Applicable entities shall use the above-mentioned subject and path for submission of the announcements related to verification of market rumours.

BSE CIRCULAR NO. 20240605-4 REGARDING AUDIOVISUAL PRESENTATION OF DISCLOSURES MADE IN PUBLIC ISSUE DOCUMENTS (Please click here for accessing this Circular)

- **Date of applicability** :
On voluntary basis for DRHP filed with SEBI on or before July 01, 2024;
On mandatory basis for DRHP filed with SEBI onwards October 01, 2024.
- **Applicable entities** : Listed Companies
- **Brief overview** : : In order to create awareness among investors to not rely on unauthorized / unsolicited information about public issues and in furtherance to the [SEBI Circular dated May 24, 2024](#) , the BSE by virtue of this notice decides that the salient disclosures made in the Draft Red Herring Prospectus (DRHP), Red Herring Prospects (RHP) and Price band advertisement for public issues is required to be made in Audio Visual format i.e., English and Hindi (Devanagari script) for ease in understanding the features of offer and to further create awareness among investors
- **Actionable, if any** : The Applicable entities shall take note of this amendment for future compliance.

BSE CIRCULAR NO. 20240605-6 REGARDING SELF REGULATORY ORGANISATIONS FOR SOCIAL IMPACT ASSESSORS IN THE CONTEXT OF SOCIAL STOCK EXCHANGE ([Please click here for accessing this Circular](#))

- **Date of applicability** : June 05, 2024
- **Applicable entities** : Listed Companies
- **Brief overview** : In furtherance to the Regulation 292A(f) of the SEBI (ICDR) Regulations 2018 and the [SEBI Circular dated May 27, 2024](#), the following agencies are notified as Self-Regulatory Organizations as Social Impact Assessors in the context of Social Stock Exchange:
 - ICMAI Social Auditors Organization (ICMAI SAO) under the Institute of Cost Accountants of India.
 - ICSI Institute of Social Auditors (ICSI ISA) under the Institute of Company Secretaries of India.

NSE : The following relevant circulars have been in the month of June 2024


NSE CIRCULAR REF NO.NSE/CML/2024/16 REGARDING VERIFICATION OF MARKET RUMOURS- PATH FOR SUBMISSION ([Click here for accessing the Circular](#))

- **Date of applicability** : June 01, 2024
- **Applicable entities** : Listed Companies
- **Brief overview** : In furtherance to the [SEBI Circular dated May 21, 2024](#) and [SEBI Circular dated May 21, 2024](#), the NSE has introduced the path for the same which can be accessed at **NEAPS > Compliance > Announcements > Announcements/Corporate Action> Create Announcement**
- **Actionable, if any** : The Applicable entities shall use the above-mentioned subject and path for submission of the announcements related to verification of market rumours.

IV. RESERVE BANK OF INDIA ('RBI')

FOREIGN EXCHANGE MANAGEMENT (OVERSEAS INVESTMENT) DIRECTIONS, 2022- INVESTMENTS IN OVERSEAS FUNDS ([Please click here for accessing this Notification](#))

- **Date of applicability** : June 07, 2024
- **Brief overview** : The RBI vide this notification has amended the Foreign Exchange Management (Overseas Investment) Directions 2022- Investment in Overseas Funds by incorporating an explanation that funds managers who are regulated through a financial sector regulator will be considered as a permissible investment option for undertaking overseas investments. Additionally, the amendment has also expanded the types of instruments a person resident in India can invest in that are issued by an investment fund or vehicle set up in International Financial Service Centre ('IFSC').
- **SGA View**: This amendment provides clarity with respect to Overseas Portfolio Investment permitted in foreign funds. It brings significant flexibility and broaden the scope of investment opportunities for listed entities, resident individuals, and unlisted Indian entities. These changes now allow for investments not only in units but in a variety of instruments issued by overseas investment funds based in IFSC



Additionally, the regulatory framework for investment funds has been expanded bringing much needed clarity. The aforesaid changes are set to facilitate a more dynamic and diversified approach to overseas portfolio investment, empowering stakeholders with greater options and clarity in their investment strategies.

- **Actionable, if any** : No Action, relevant for fund managers and its investors who shall take note of this notification.

V. COMPLIANCE CALENDAR FOR THE MONTH OF JULY, 2024

S.N O	COMPLIANCE DATE	ACT / RULES/ REGULATIONS	APPLICABLE FORM	APPLICABLE ENTITIES
1.	On or before July 09, 2024 (i.e. within 7 working days of the end of relevant quarter)	Para 6.3 of Master Directions – External Commercial Borrowing, Trade Credit and Structured Obligations	ECB Form 2	Borrowers having overseas debt exposure through ECB route shall report their actual monthly ECB transactions to AD bank.
2.	On or before July 15, 2024	Annual Return on Return on Foreign liabilities and Assets under FEMA 1999	FLA Return	Indian companies, LLPs, SEBI AIFs, Partnership firms etc. having foreign liabilities or foreign assets in their balance sheets
3.	On or before July 21, 2024 (i.e. within 21 days of the end of relevant quarter)	Regulation 13 SEBI(LODR) Regulations 2015	-	The listed entity shall file with the recognised stock exchange(s) on a quarterly basis, within twenty-one days from the end of each quarter , a statement giving the number of investors complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter.

4.	On or before July 21, 2024 (i.e. within 21 days of the end of relevant quarter)	<u>Regulations 27 SEBI (LODR) Regulations 2015</u>	-	Equity listed entities shall submit a corporate governance report within 21 days of the end of relevant quarter.
5.	On or before July 21, 2024 (i.e. within 21 days of the end of relevant quarter)	<u>Regulation 31(1) SEBI (LODR) Regulations 2015</u>	-	Equity listed entities shall file shareholding pattern as on the end of quarter within 21 days of the end of relevant quarter.
6.	On or before August 14, 2024 (i.e. Within 45 days from the end of the quarter/Within 60 days from the end of the last quarter)	<u>Regulation 32 (1) - SEBI (LODR) Regulations 2015</u>	-	Equity listed companies are required to submit a Statement of deviation(s) or variation(s) of utilization of funds in the prescribed format.
7.	On or before August 14, 2024 (i.e. Within 45 days from the end of the quarter/Within 60 days from the end of the last quarter)	<u>Regulation 33 (3) (a) - SEBI (LODR) Regulations 2015</u>	-	Listed Entities shall submit Financial Results along with Limited review report/Auditor's report to the stock exchanges.
8.	July 30, 2024 (i.e. within 30 days of the end of relevant quarter)	<u>Regulation 76 SEBI (Depositories and Participants) Regulations 2018</u>	-	Listed entities shall submit a report for the purposes of reconciliation of total issued capital, listed capital and capital held by depositories in dematerialized form as on June 30, 2024.

About us

Sanjay Grover & Associates is a Firm of Company Secretaries, established in 2001, whose constant endeavor is to craft a premier professional practice providing high quality services and integrating value added knowledge, for its people, clients and society as a whole.

The Organization is backed by a team of multi- disciplinary professionals who possess the inherent qualities of converting the challenges into opportunities by sincerity, passion and determination.

The dynamic professionals of the organization are very well exposed in dealing with various regulatory authorities like Registrar of Companies (ROC), Regional Director (RD), Ministry of Corporate Affairs (MCA), National Company Law Tribunal (NCLT), National Company Law Appellate Tribunal (NCLAT), Insolvency and Bankruptcy Board of India (IBBI), Competition Commission of India (CCI), Securities & Exchange Board of India (SEBI), Stock Exchanges, Reserve Bank of India (RBI) etc. The firm works with a progressive mindset and serves its clients with results and quality; it has the zeal and potential to handle challenging and wide range of assignments.

Disclaimer: This Legal Newsletter for the month of June, 2024 has been prepared by team SGA (i.e. Sanjay Grover & Associates, Company Secretaries) solely for knowledge purpose and should not be construed as any professional advice or opinion. We expressly disclaim all liability for actions/inactions based on this newsletter.



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THANK YOU!

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