



**Sanjay Grover &
Associates**
Company Secretaries

SGA LEGAL NEWSLETTER

For the month of January, 2025



Overview

	Securities and Exchange Board of India (“SEBI”)	01
	Bombay Stock Exchange (“BSE”)	02
	Reserve Bank of India (“RBI”)	03
	Compliance Calendar for the month of December 2025	04



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 July, 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.

SECURITIES AND EXCHANGE BOARD OF INDIA ('SEBI')

1. Timeline for Review of ESG Rating pursuant to occurrence of 'Material Events'. ([Click here to access the Circular](#)).

- **Date of Applicability**: This circular shall be applicable with immediate effect.
- **Applicability** - This circular is applicable on All Registered ESG Rating Providers, All Listed Entities, All Recognized Stock Exchanges, All Registered Depositories.
- **Brief on Amendment**:
 - SEBI has modified the timeline for reviewing Environmental, Social, and Governance (ESG) ratings by ESG Rating Providers (ERPs) in light of the operational challenges raised by ERPs regarding the review of ratings after the publication of Business Responsibility and Sustainability Reporting (BRSR).
 - While ERPs were previously required to review ESG ratings within 10 days of any material event or development (such as penalties or controversies in ESG areas including penalty in environmental, social or governance areas), the timeline for reviews triggered by BRSR publication has been relaxed. Now, the review of ESG ratings following the publication of BRSR must be carried immediately, but not later than within 45 days of its publication, instead of 10 days.
- **SGA View**: This modification aims to ease operational burdens while ensuring timely and accurate ESG ratings.

2. Measures for Ease of Doing Business for Credit Rating Agencies (CRAs)–Timelines. ([Click here to access the Circular](#)).

- **Date of Applicability**: This circular shall be applicable with immediate effect.
- **Applicability** – This circular is applicable on All Registered Credit Rating Agencies, All Registered Debenture Trustees, Issuers who have listed and/or proposed to be listed Non-Convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities or Commercial Paper, Recognized Stock Exchanges, All Depositories registered with SEBI
- **Brief on Amendment**: SEBI has modified certain timelines in the Master Circular for Credit Rating Agencies (CRAs) to enhance ease of doing business and bring uniformity in rating reviews and press release publications, the key changes inter alia include:
 - Press Release Publication: CRAs must now publish press releases on their website regarding rating actions within 7 working days (instead of 7 calendar days).
 - Rating Review for Delays: CRAs are required to review and issue a press release within 2 working days (instead of 2 calendar days) of receiving a statement about delays in interest or principal payments
 - Non-Submission of No-Default Statement: CRAs must consider migrating ratings to “INC” (Issuer Not Co-operating) within 5 working days (instead of 7 days) if there is no submission of the No-Default Statement for three consecutive months
 - Debt Servicing Confirmation: If no confirmation of debt servicing is received from the Debenture Trustee within 1 working day post-due date, CRAs must follow up with the issuer and issue a press release within 2 working days if no response is received.
- **SGA View**: These changes are aimed at providing clarity, improving efficiency, and promoting timely communication within the rating process.

BOMBAY STOCK EXCHANGE

1. Implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities- Disclosure of Integrated Filing- Governance ([Click here to access the Circular](#)).

- **Date of Applicability:** This circular shall be applicable from January 14, 2025
- **Applicability:** – This circular is issued to Company Secretaries, All Listed Entities.
- **Brief Overview:** The key takeaways are as follows:
 - Integrated Filing- Governance should now be submitted in XBRL format, starting from January 14, 2025. This replaces the previous requirement to file the same disclosure in PDF format
 - The listed entities must use the XBRL utility for submissions, available in the XBRL section of the Listing Centre.
 - The filing of Corporate Governance Report and Investor Grievance Report will continue in the current XBRL format, along with the new Integrated Filing- Governance
 - If any entity has already submitted the Integrated Filing- Governance in PDF format, they are required to re-submit it in XBRL format.
- **SGA View:** This notice focuses on the Integrated Filing- Governance and the introduction of a new XBRL utility to streamline the filing process for listed companies.



2. Allowing subscription to the issue of Non- Convertible Securities during trading window closure period. ([Click here to access the Circular](#)).

- **Brief Overview:** The Securities and Exchange Board of India (SEBI) has issued circular No. SEBI/HO/ISD/ISD-PoD-2/P/CIR/2024/180, dated December 30, 2024, regarding allowing subscription to the issue of Non- Convertible Securities during trading window closure period.
- Accordingly, in view of the above, all listed companies are required to take note that now in addition to the transactions mentioned in Clause 4(3)(b) of Schedule B read with sub-regulation (1) of Regulation 9 of PIT Regulations and SEBI Circular no. SEBI/HO/ISD/ISD/CIR/P/2020/133 dated July 23, 2020, the trading window restrictions shall also not apply to subscription to the issue of non- convertible securities, carried out in accordance with the framework specified by the Board from time to time.

RESERVE BANK OF INDIA

1. RBI releases the much awaited FAQs on Reset of Floating Interest Rate on Equated Monthly Instalments (“EMI”) based Personal Loans ([Click here for accessing the FAQs](#))

- The RBI on January 10, 2025 have issued a set of clarificatory FAQs with respect to the Circular dated August 18, 2023 on Reset of floating interest rate on EMIs based Personal loans (“Circular”). Some of the key takeaways of the FAQs *inter alia* include
 - Clarification on the applicability of the Circular
 - Mandating clear communication to the borrowers
 - Different options available in case of reset of entire class of borrower
 - Mandatory switching over to fixed interest rate product in case of availing of such offer by the borrower
 - Flexibility on switching back to floating rate despite previously choosing the fixed interest rate product
 - Provision for Regulated Entities on levying applicable charges on switching over

2. RBI releases Master Directions on (Credit Information Reporting) Directions, 2025 ([Click here for accessing the Master Directions](#))

- **Date of Applicability:** January 06, 2025
- **Applicable Entities:**
 - All Commercial Banks including Small Finance Banks, Local Area Banks and Regional Rural Banks and excluding Payment Bank
 - All Primary (Urban) Co-operative Banks/ State Co-operative Banks/ Central Co-operative Bank
 - All India Financial Institutions (Exim Bank, NABARD, NHB, SIDBI and NaBFID)
 - All Non-Banking Financial Companies including Housing Finance Companies
 - All Asset Reconstruction Companies
 - All Credit Information Companies
- **Brief on Amendment/Actionable(s):** With the introduction of these Master Directions, the RBI has consolidated the instructions issued to Applicable Entities on reporting of credit information. The key actionable that arise on Applicable Entities include:
 - Mandatory Membership of the Applicable Entities in all the Credit Information Reporting Companies registered with RBI
 - Reporting of data pertaining to customers has been uniformed by providing segment wise reporting formats in the Annexures of the Master Directions
 - Regulator mandate of submitting the credit information of customers to Credit Information Companies on a fortnightly basis. Further, Credit Information Companies are required to conduct a quarterly check on any inconsistencies in their database.
 - For Applicable Entities whose license has been cancelled/voluntary surrendered, the Applicable Entities shall prepare a credit information reporting mechanism in the format specified in the Annexure of the Master Directions
 - The Applicable Entities who are acting as secured creditors under the SARFAESI 2002, are required to display borrower information on their website for assets taken into possession in the format specified in the Annexure of the Master Directions
 - The Applicable Entities are required to appoint a Nodal Officer/official for customer grievance redress, and inform the Credit Information Companies within 5 days in case of change in nodal official
 - The Applicable Entities are required to conduct a root cause analysis of customer grievances every 6 months using data rejected by Credit Information Companies and such analysis is also required to be reviewed by the top management of the Applicable Entities
 - The Applicable Entities must refer to the best practices as prescribed in the Annexure to the Master Directions while formulating or reviewing their policies/procedures in respect to the credit information reporting.

COMPLIANCE CALENDAR FOR THE MONTH OF FEBRUARY 2025

S.No	COMPLIANCE	PROVISION OF LAW/ACT / RULES/ REGULATIONS	Due Date
1.	ECB -2 Return	Para 6.3 of the Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations (Updated as on December 22, 2023)	Within 7 working days from the close of the month through AD Bank to the RBI
2.	<p><u>Integrated Filing- Governance</u></p> <ul style="list-style-type: none"> • <u>Regulation 13(3)</u> - Compliance Report on Corporate Governance • <u>Regulation 27(2)(a)</u>- Statement on redressal of investor grievances 	SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 DATED 31 DECEMBER 2024	For the quarter ended 31 December 2024, within 45 days from the end of the quarter (i.e. by February 14, 2025).

S.No	COMPLIANCE	PROVISION OF LAW/ACT / RULES/ REGULATIONS	Due Date
3.	<p style="text-align: center;"><u>Integrated Filing – Financial</u></p> <ul style="list-style-type: none"> • <u>Regulation 23(9)</u>- Disclosure of Related Party Transactions (RPTs) • <u>Regulation 30 r/w section V-B of the Master circular</u>- Quarterly disclosure of outstanding default on loans / debt securities • <u>Regulation 32(1)</u>- Statement of Deviation and Variation • <u>Regulation 33(3)</u>- Financial results 	<p style="text-align: center;">SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 DATED 31 DECEMBER 2024</p>	<p style="text-align: center;">For the quarter ended 31 December 2024, within 45 days from the end of the quarter (i.e. by February 14, 2025).</p>



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THANK YOU!

Sanjay Grover & Associates,

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