Swift India
CORPORATE SERVICES LLP

Swift e-Bulletin

Week – December 30th to January 04th

Quote for the week:

"You have to dream before you Dreams can come true."

– Dr. A.P.J. ABDUL KALAM (*Former President of India*)

Introduction

We welcome you to our weekly newsletter!

The 'Swift e-Bulletin' - weekly newsletter, covers all regulatory updates and critical judgements passed during the week. We want this newsletter to be valuable for you so, please share your feedback and suggestions to help us improve.

Further, various regulatory authorities have been proactive in bringing significant regulatory changes in recent challenging times. This week's newsletter covers various circulars/notifications issued by certain regulatory authorities such as Securities and Exchange Board of India ("**SEBI**"), Ministry of Corporate Affairs ("**MCA**").

The Regulatory authorities provided various updates/relaxations, some of which being:

- **SEBI vide circular dated December 30, 2024, issued allowing subscription to the issue of Non-Convertible Securities during trading window closure period.**

- **MCA vide notification dated December 31, 2024 made amendment in Companies (Accounts) Rules, 2014**

We have prepared a comprehensive summary for quick reference of the aforesaid updates and Judgements/ orders issued during the week of December 30th to January 04th.

Thank you, Swift team

SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

1. SEBI vide circular dated December 30, 2024, issued allowing subscription to the issue of Non-Convertible Securities during trading window closure period.

- SEBI vide circular states that in terms of Clause 4(3)(b) of Schedule B read with sub-regulation (1) of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) the trading window restrictions shall not apply in respect of transactions, such as, acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or such other transactions which are undertaken in accordance with the mechanisms as may be specified by the Board from time to time.

- In this regard, SEBI vide Circular No. dated July 23, 2020 provides that in addition to the transactions mentioned in clause 4(3)(b) of schedule read with the Regulations 9 of PIT Regulations, trading window restrictions shall not apply in respect of Offer for sale and Rights entitlements Transactions and to subscription to the issue of non- convertible securities, carried out carried out in accordance with the framework specified by the Board from time to time.

- Stock Exchanges are advised to bring the provisions of this circular to the notice of all listed companies and also disseminate the same on their websites.

- The circular shall be applicable to all Recognized stock exchanges, all depositories and listed companies through the Stock Exchange.

To read the circular in detail, please click here.

2. SEBI vide circular dated December 31, 2024, issued Clarifications to Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (Res)

- SEBI need for robust cybersecurity measures and protection of data and IT infrastructure, Securities and Exchange Board of India (SEBI) has issued 'Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)' vide circular dated August 20, 2024. This framework is a necessary evolution to the changing threat landscape and rapid technological advancements and designed to ensure that SEBI REs maintain robust cybersecurity posture, remain equipped with adequate cyber resiliency measures and can withstand, respond to, and recover from cyber threats effectively.

- Upon receipt of various queries from REs seeking clarifications on the aforementioned circular, it has been decided to clarify as under:

  - 2.1 Regulatory forbearance:

    With regard to the compliance requirements, which are effective from January 01, 2025 under the CSCRF, regulatory forbearance is provided till March 31, 2025. For any non-compliance during this period that comes to the notice of the regulator, no regulatory action shall be taken provided the REs are able to demonstrate meaningful steps taken / progress made in implementation of CSCRF. An opportunity shall be given to the REs to demonstrate the same before any regulatory action is considered by SEBI.

  - 2.2. Extension of compliance dates for Regulated Entities (REs):

While the circular is effective from January 01, 2025, the date of compliance of CSCRF for following REs has been extended based on the feedback received on the rationalisation of categorisation of certain REs:

a. KYC Registration Agencies (KRAs): Compliance timeline is extended from January 01, 2025 to April 01, 2025.

b. Depository Participants (DPs): Compliance timeline is extended from January 01, 2025 to April 01, 2025.

- 2.3. Data Security Standard with regard to Data Localisation:

Based on the feedback received on the provisions of Data Localisation, a need is felt for further consultations. Accordingly, the guidelines and provisions with regard to Data Localisation [Data Security standard (PR.DS.S2)] has been kept in abeyance until further notification.

- The provisions of this Circular shall come into force with immediate effect.

- The said circular shall be applicable to All Alternative Investment Funds (AIFs), All Bankers to an Issue (BTI) and Self-Certified Syndicate Banks (SCSBs), All Clearing Corporations, All Collective Investment Schemes (CIS), All Credit Rating Agencies (CRAs), All Custodians, All Debenture Trustees (DTs), All Depositories, All Designated Depository Participants (DDPs), All Depository Participants through Depositories, All Investment Advisors (IAs) / Research Analysts (RAs), All KYC Registration Agencies (KRAs), All Merchant Bankers (MBs), All Mutual Funds (MFs)/ Asset Management Companies (AMCs), All Portfolio Managers, All Registrar to an Issue and Share Transfer Agents (RTAs), All Stock Brokers through Exchanges, All Stock Exchanges, Venture Capital Funds (VCFs).

To read the circular in detail, please click here.

3. SEBI vide circular dated December 31, 2024, issued recommendations for Implementation of the Expert Committee to facilitate ease of doing business for listed entities.

- As per regulation 10(1A) of the LODR Regulations following Governance and Financial related periodic filings required to be done for the quarter ending 31stDecember 2024 and thereafter:

<table>
<tr><th>Sr. No.</th><th>Regulation / circular</th><th>Periodic Filing</th><th>Revised Timeline</th><th>Frequency</th></tr>
<tr><td>1.</td><td>13(3)</td><td>Statement on redressal of investor grievances</td><td rowspan="2">Within 30 days of the end of the quarter.</td><td>Quarterly</td></tr>
<tr><td>2.</td><td>27(2)(a)</td><td>Compliance Report on Corporate Governance</td><td>Quarterly</td></tr>
<tr><td colspan="5"></td></tr>
<tr><td>3.</td><td>23(9)</td><td>Disclosure of Related Party Transactions (RPTs)</td><td rowspan="2">Within 45 days of the end of the quarter & 60 days from end of the last quarter & financial year</td><td>Half Yearly</td></tr>
<tr><td>4.</td><td>Reg. 30 r/w section V-B of the Master Circular</td><td>Quarterly disclosure of outstanding default on loans / debt securities</td><td>Quarterly</td></tr>
</table>

5.	32(1)	Statement of Deviation and Variation		Quarterly
6.	33(3)	Financial results		Quarterly

- The following material events / information shall be disclosed on a quarterly basis :

  - Acquisition of shares or voting rights by listed entities in an unlisted company, aggregating to 5% or any subsequent change in holding exceeding 2%

  - Imposition of fine or penalty which are lower than the monetary thresholds specified under Para A (20) of Part A of Schedule III of LODR.

  - Ongoing tax litigations or disputes

- As per regulation 23(2) along with half-yearly disclosures of RPTs ratification of RPTs and value of ratified RPTs are required to be disclosed.

- As per Regulation 24A(1A) only a Peer Reviewed Company Secretary and has not incurred any of the disqualifications can be appointed as Secretarial Auditor of the listed entity.

- Regulation 46(2)(za) of the LODR requires listed entities to disclose Employee Benefit Scheme Documents, excluding commercial secrets and such other information that would affect competitive position

- **System driven disclosure of certain filings**

Sr. No.	Regulation	Filing
1.	Regulation 31(1)(b) of LODR	Shareholding Pattern
2.	Regulation 30(6) r/w sub-para 3 of para-A of part A of schedule III of LODR	New rating(s) or revision in ratings

- The above circular shall be applicable to All listed entities that have listed their specified securities, All Recognized Stock Exchanges, All Depositories, The Institute of Company Secretaries of India (ICSI).

To read the circular in detail, please click here.

MINISTRY OF CORPORATE AFFAIRS (MCA)

1. MCA vide notification dated December 31, 2024 made amendment in Companies (Accounts) Rules, 2014

- In the Companies (Accounts) Rules, 2014, in rule 12, in sub-rule (1B), in the fourth proviso, for the words, figures and letters "on or before 31st December,2024", the words, figures and letters "on or before 31st March, 2025" shall be substituted.

- Now the provision shall be read as follows:

  Provided also that for the financial year 2023-2024, Form CSR-2 shall be filed separately on or before 31st March, 2025 after filing Form No. AOC-4 or Form No. AOC-4-NBFC (Ind AS), as specified in these rules or Form No. AOC-4 XBRL as specified in the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015 as the case may be.

To read the circular in detail, please click here.

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The contents of this newsletter should not be construed as a legal opinion. View detailed disclaimer.

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Call us to explore a topic or let us answer your questions

About Swift

Swift India Corporate Services LLP ("Swift") (Formerly known as SwiftIndiaInc Corporate Services Private Limited) established in the year 2005, is an affiliate entity of Nishith Desai Associates ("NDA"), a preeminent India centric law firm. We are a premier and boutique firm specialized in meeting with the global standard corporate governance aspirations of our clients operating in India.

Our team comprises of professionals with a prolific corporate, legal and secretarial compliance background. We aim to provide pragmatic and business-oriented solutions in governance and compliance matters, through a unique holistic approach that blends our expertise and decades of experience in compliance and regulatory areas.

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