

Editorial

With the advent of the amendment in Rule 9 of Companies (Prospectus and Allotment of Securities) Rules, 2014, it has become mandatory for Private companies (other than Small Companies and Government Companies) to dematerialize their securities. Dematerializing shares brings in a lot of benefits in terms of convenience in buying, selling and transferring. However, the conversion process is viewed as expensive, time consuming and paperwork intensive. In this article, we delve deeper into the provisions of Companies Act, steps in dematerialization, and the crucial role played by Registrar and transfer agents in facilitating dematerialization of securities by the Company. We have also added tips and factors which the companies can consider while appointing their RTAs.

We have also included exciting sections in the newsletter such as a quiz and engaging brain teasers.

Our other regular features comprising of Gist of Changes in the Companies Act, 2013, SEBI's LODR, 2015 and IB Code, 2016, and Statutory Compliance Calendar for the month of June 2024.

Please share your feedback on this newsletter with us at contact@cimplyfive.com, we eagerly look forward to it.

Happy reading,
Team CimplyFive
June 06, 2024

What's more in this month's issue.

- ***What is Hot in Company Law?***
- ***Article for the Month***
- ***BLISS Tips for the Month***
- ***Test your Gray Matter!***
- ***Compliance Calendar***
- ***Regulatory Changes in the Month***

OPINION:

What is Hot in Company Law?

Our free to use website www.ca2013.com has the unique distinction of providing an integrated view of the Companies Act, SEBI (LODR) and IB code. Our site has crossed **39 million page-views** as on date and attracts over 6,000 users accessing around 25,000 pages a day. List of the most viewed sections in the Companies Act, LODR and IB Code in the month of May 2024 here is based on visitors to our site.

For the Month of May 2024
Companies Act, 2013 Top 5 Chartbusters

Rank in April	Change in Rank	Rank in May	Section reference	Section title
3	↑	1	179	Powers of Board
1	↓	2	62	Further issue of share capital
4	↑	3	188	Related party transactions
2	↓	4	149	Company to have Board of Directors
N	↑	5	186	Loan and investment by company

Section 184 has been replaced with Section 186 in the top 5 Ranking.

LODR Top 5 Chartbuster Regulations

Rank in April	Change in Rank	Rank in May	Regulation reference	Regulation title
2	↑	1	30	Disclosure of Events or information
1	↓	2	17	Board of Directors
N	↑	3	23	Related Party Transactions
4	↔	4	2	Definitions (Chapter 1)
N	↑	5	52	Financial Results

Regulations 7 and 4 has been replaced with Regulations 52 and 23 in the top 5 rankings.

IB Code Top 5 Chartbusters

Rank in April	Change in Rank	Rank in May	Section reference	Section title
2	↑	1	59	Voluntary liquidation of corporate persons
1	↓	2	5	Definitions (Part 2)
N	↑	3	21	Committee of Creditors (Part 2, Chapter 2)
N	↑	4	29	Preparation of information memorandum (Part 2, Chapter 2)
N	↑	5	12	Time-limit for completion of insolvency resolution process

Sections 3,6 and 7 have been replaced with Sections 21,29 and 12 in the top 5 Ranking.

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Article of the Month:

Breakdown of Dematerialization of Securities

Definition

Dematerialisation is the process by which a Company can get physical certificates converted into electronic format/balances.

The reasons for dematerialization, in addition to being easy and convenient, is to ensure that the paperwork involved in buying, selling, and transferring of securities is reduced and a more transparent electronic system is put in place. Holding securities in the form of physical certificates makes them vulnerable to damage and loss due to various physical factors. Dematerialization provides a fool-proof solution to all these challenges.

Two depositories called Central Depository Services India Limited (CDSL), and National Securities Depository Limited (NSDL) are registered with the Securities and Exchange Board of India (SEBI) to facilitate the process of dematerialization.

Focus

The Article is primarily focused on the process of dematerialization, regulations relating to dematerialization of securities, how it benefits investors and the companies, processes and documentation involved in dematerialization.

Why is dematerialization necessary?

There are multiple reasons to ensure that shares are held in dematerialized form. To list a few:

- Avoid keeping track of multiple paper-based documents
- Reduce instances of missing documentation
- Create an electronic database on shareholders
- Convenience in further issue of share capital
- No stamp duty charges

Benefits of dematerialization

1. **Easy and convenient**

   Trading can be done at the convenience of a home and there is no need to be present at the broker's location to settle a transaction.

2. **Safety**

   Risks in holding shares physically such as theft, damage, loss of share certificates, years of wear and tear are completely eliminated.

3. **Paperless trail**

   Since the securities are held in electronic form, the need for paper to execute transactions is reduced to nil. In addition, the Demat account has also proved to be very useful for the companies in reducing their administrative costs and hassles in handling physical documents.

4. **Traceability**

   It is easy to monitor the trading from anywhere in the world with the help of a demat account.

5. **Ease in receiving corporate benefits**

   Demat account facilitates the process of receiving corporate benefits like dividends, interest bonus shares, refund of application money, etc. It gets directly credited into the demat account or the bank account associated with the investor.

6. **Transfer and Transmission of securities**

   Immediate transfer of securities, based on request of the transferor and transmission is also done automatically by the depository participant without correspondence with the Companies.

Regulatory laws- Companies Act

Walkthrough on evolution of the provisions of Section 29

Section 29, Rule 9 and Rule 9(A) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are the governing provisions for dematerialization of securities under the Companies Act, 2013.

Initially Section 29 was mandated only for the Companies which are making a public offer and such other class, or classes of ***public*** companies as may be prescribed from time to time. The intent of the law was clear that dematerialization was mandatory in the case of listed companies, and public unlisted companies as may be prescribed from time to time.

- The listed companies had to follow these provisions along with procedures and processes as specified in SEBI regulations.

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Subsequently, the word "public" was removed from the section vide Companies (Amendment) Act, 2019 dated 31.07.2019, which indicated that private companies may also be included in the class or classes of companies which may be prescribed to comply with requirements of dematerialization.

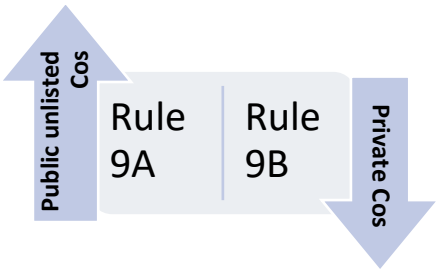
Rule 9A- For Public Unlisted Companies

Rule 9A of the Act was inserted vide the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 dated 10th September 2018, which mandated the issuance of securities in dematerialized form by public unlisted companies. This cemented the necessity that not just listed companies are required to dematerialize their shares, even the unlisted public companies need to initiate the process.

Key compliances in Rule 9A:

Sno.	Requirement	Compliance
1	Companies to facilitate dematerialization	To issue securities in demat form and facilitate dematerialization of all its existing shares. To be noted that it's the responsibility of the Company to dematerialize its existing shares.
2	Promoters to hold shares in demat form	Promoters of company making a public offer of any convertible securities may hold such securities only in dematerialised form
3	Corporate benefits	Entire holding of securities of its promoters, directors, KMPs to be dematerialized before offer or issue of any securities, buyback, issue of bonus shares or rights offer
4	Responsibility of Company	• Timely payment of fees to depository and Registrar and Transfer Agent (RTA) • Maintain security deposit of not less than two years at all times, with the RTA • Comply with regulations, guidelines or circulars issued by SEBI or depository • Company shall immediately intimate the depositories of any difference observed in its issued capital and the capital held in dematerialised form
5	Secure International security Identification Number (ISIN)	Shall secure International security Identification Number (ISIN) for each type of security and shall inform all its existing security holders about such facility
6	Transfer of securities	Shares to be dematerialized before transfer of securities to another
7	Filing of PAS-6	Company to submit Form PAS-6 within sixty days from the conclusion of each half year duly certified by a practising company secretary in practice or chartered accountant
8	Non-applicability	The provisions of this rule do not apply to: i) A nidhi company ii) Government companies iii) Wholly owned subsidiaries

Table 1: Key Compliances



Advent of Rule 9B- For private Companies

This Rule was Inserted vide MCA Notification dated 27.10.2023 regarding Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023, which mandates that ***private companies are to issue securities only in dematerialized form from September 30, 2024. In addition, Private Companies (other than small companies) are required to dematerialize all their securities by September 30, 2024.***

The key highlights as mentioned above in Table 1 shall mutatis mutandis apply to Private Companies which fall under the applicability of Rule 9B. The requirement of compulsory dematerialisation of shares may have additional compliance costs for the private companies, however, in the long run, this move would only improve the ease of doing business in India as this would ensure that any further issuance by private companies, share transfer, buyback, rights issues etc., would become a much faster and smoother process.

Penalty for non-compliance

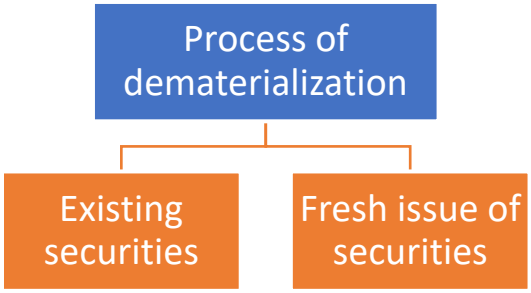
In case the company or the security holders do not comply with the requirement to dematerialize their securities within the specified due date, the Company would be non-compliant of Section 29 of Companies Act, 2013 and the following consequences shall apply:

- The Company will not be able to issue / allot any type of securities.
- The security holder will not be able to transfer or subscribe for any type of security.
- Monetary penalties on Company and every officer in default:
- Since no specific penalty has been laid down, general penalty of Section 450 shall apply i.e., Monetary penalty of Rs. 10,000 for each offence and Rs. 1,000 for each day till violation continues.

Process of Dematerialization

As we proceed further, we delve into what process and documentation is required to be followed/provided by investors to dematerialize their shares. We have divided it into two categories:

- Dematerialization of existing physical securities
- Fresh issue of securities by companies whose securities are dematerialized already.



Dematerialization of existing physical securities

The following steps need to be taken to dematerialize the existing physical securities:

Depository Participant

- Approach a Depository Participant ("DP") to open a demat account. A DP is a registered intermediary between the depository and investors in India.
- In order to dematerialise physical securities, one has to fill in a DRF (Demat Request Form) which is available with the DP and submit the same along with physical certificates that are to be dematerialised. Separate DRF has to be filled for each ISIN (International Securities Identification Number).

Surrender of certificates

- Surrender certificates for dematerialisation to your DP who shall in turn forward it to the Registrar and Transfer Agent (RTA) of the Company, along with the DRF after generating a demat request number.

RTA confirmation

- Registrar confirms the dematerialisation request from depository.

Update of account

- After dematerialising the certificates, Registrar updates accounts and informs depository regarding completion of dematerialisation.

Depository and DP accounts

- Depository updates its accounts and informs the DP and subsequently, the DP updates the demat account of the investor.

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Fresh Issue of Securities by Companies in dematerialized form

When a company decides on further issuance of capital, the following points need to be kept in mind, in relation to their dematerialized shares at the time of allotment:

1. The Company upon approval from the Board and shareholders for allotment of securities and filing of return on allotment (PAS-3), may intimate the same to the Registrar and Transfer Agent (RTA) which has been appointed by them.

2. Prior to allotment, record date or book closure date needs to be intimated to the RTAs, for closure of register of members.

3. Steps shall be taken to secure International Security Identification Number (ISIN) for each type of security and shall inform all its existing security holders about such facility

4. Communicate RTA about the allotment so that the Demat of the allottees is credited and the allotment is completed within 15 days of passing the special resolution.

5. Coordination with RTA to update the register of members.

Scope of RTA's Work

1) Maintaining the connectivity of the company with depositories.
2) Processing of demat/remat requests as and when raised.
3) Processing of corporate actions as and when required by the company.
4) Processing of beneficiary position statements.
5) Activation of ISIN's as and when required by the company.

Some TIPS to be considered by companies at the time of appointing RTA!!

As we have seen above, the role of a registrar and transfer agent (RTA) is crucial in the process of dematerialization of securities and at the time of fresh issuance of capital by the companies.

While dematerialization is a necessity for listed entities and large unlisted public entities, it is still looked at as an additional cost burden in the case of private companies. Hence, we have come up with a list of criteria that companies may consider while appointing their RTAs:

1. Cost Structure which includes the following factors:
    a) Folio Maintenance Charges per ISIN & per Year (Payable to RTA)
    b) One-time Connectivity Charges per Depository per ISIN (Payable to RTA)
    c) Charge per corporate action per Depository

    Analyse the cost structure and consider the value of money in terms of service provided.

2. Experience in the Industry:
    Consider the RTA's experience in handling companies of similar size and industry, ensuring a strong track record and reputation in the industry.

3. Support and Responsiveness:
    Evaluate the customer service quality, responsiveness to the queries and turnaround time for processing transactions.

4. Client references:
    Seeking references from the RTA's existing clients can help the Company gauge satisfaction levels with the RTA's work. Reviews and testimonials help in understanding the RTA's strength and potential concerns.

Conclusion

As we move into an era of better corporate governance practices and promotion of ease of doing business, this move by the Ministry of Corporate Affairs mandating dematerialization of shares seems to be in alignment with those goals. Dematerialization should not be viewed as an additional compliance or cost burden by the Companies, but a way to push for more transparent and efficient system of share transfers, more financial inclusivity, better access and visibility to retail investors.

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BLISS Tips for the Month

BLISS Tips #292: With BLISSDOCS, Directors may view the real-time Compliance Status of the Company.

BLISSDOCS is an Android/IOS compatible app for Directors integrated with our secretarial automation tool BLISSPLUS & BLISSLISTED. The app enables the Secretarial Team to conduct paperless Board and Sub-committee meetings. Users may provide BLISSDOCS access to their Directors/ Invitees and further can also customise the access of the records of Board Meetings and Sub-Committee Meetings based on their membership in the Committee and define the access validity period. Directors will be able to see real-time compliance status of the company through their Android/IOS device which will help them to have an overview of the compliance status of a Company.

BLISS Tips #293: With BLISS, generate customised reports from Statutory Registers.!

Maintain all the statutory registers of your company electronically in BLISS, conforming to the stipulated formats and requirements of the Companies Act, 2013. Specific sub-sets of Registers in the form of reports can be generated date-wise from the data filled in the Registers such as on date, List of Directors or a List of Members whenever needed. It facilitates easy access to up-to-date information there by allowing quick reference to required data.

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Test your Gray Matter!! Take our Riddles to find out!

GUESS ME !

1. I am a legal institution, with power profound,
Where disputes are settled, and decisions are bound. I oversee with might, In the realm of business, ensuring what's right. What am I?

2. I hide in plain sight, a watcher unseen,
In numbers and ledgers, I'm often keen.
I hunt for discrepancies, errors, and flaw,
In every transaction, big and small.
Who am I?

3. I'm the keeper of secrets, in business I dwell,
Navigating laws, my duties excel.
In boardrooms I linger, unseen yet profound,
Guiding decisions with expertise unbound.
Who am I?

4. In the realm of business, a stealthy campaign,
I seize control, leaving chaos in my domain.
Stocks and shares tremble as I make my move,
A corporate coup d'état, where fortunes prove.
What am I?

5. I'm a strategy that's more than just about gain,
Where businesses grow, yet fairness they maintain.
With a heart for the world, beyond profits they see, Acting with purpose, in harmony with society.
What am I?



Test your Gray Matter!! Take our Quiz to find out!

1. According to Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, what types of documents must a listed entity preserve, and how are these documents classified?

   A) Only financial statements and annual reports, classified as either permanent or temporary.

   B) Documents required by securities laws and other applicable laws, classified as either preserved permanently or for at least eight years after completion of the relevant transactions.

   C) Internal memos and correspondence, classified as either permanent or for at least five years.

   D) Documents related to corporate social responsibility, classified as either preserved permanently or for a period determined by the CSR Committee

2. According to Regulation 46(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, within what time frame must a listed entity update changes in the content of its website, and does this requirement apply to all website content changes?

   A) Within one working day, and it applies to any and all website content changes.

   B) Within two working days, and it applies only to content changes required by Regulation 46(2).

   C) Within three working days, and it applies to any and all website content changes.

   D) Within two working days, and it applies to any website content changes, including promotional materials.

3. The disclosures made under Securities and Exchange Board Of India (Prohibition Of Insider Trading) Regulations, 2015 Chapter 3 under Regulation 6 - General provisions, shall be maintained by the company, for a minimum period of _____ years.

   A) 3

   B) 5

   C) 8

   D) 4

4. Under the Companies Act, 2013, what is the required proportion of members or depositors who can file an application before the Tribunal if they believe the company's management or conduct is prejudicial to the interests of the company or its members or depositors, specifically for a company not having a share capital?

   A) Not less than one-tenth of the total number of its members.

   B) Not less than one-fifth of the total number of its members.

   C) Not less than one-third of the total number of its members.

   D) Not less than one-fourth of the total number of its members.

5. According to the Companies Act, 2013, which form must be used for the advertisement of the notice when seeking to pass a resolution for varying the terms of any contract referred to in the prospectus or altering the objects for which the prospectus was issued?

   A) Form PAS-4

   B) Form PAS-2

   C) Form PAS-1

   D) Form PAS-3

Board Leaders Integrated Software Solutions



BLISSPLUS

BLISS LISTED

BLISSGLOBAL

BLISSDOCS

CIMPLYBEST

CAIRR LODR Integrated

BLISS is a Cloud hosted software that automates the routines, provides an e-repository, timely alerts, and a real-time dashboard, all aimed at ensuring compliance and good corporate governance. By doing so, it provides complete peace of mind to the Board of Directors and assurance to professionals by providing them with real-time compliance status with respect to the Companies Act, 2013

BLISSPLUS is an advanced variant of BLISS with multiple premium features like Directors view, facility to store past Secretarial records, automated compliance tracker for size- based compliance under the Companies Act, 2013

BLISSLISTED An advanced variant of BLISSPLUS for Listed Companies with Companies Act,2013 and SEBI's LODR 2015 compliances integrated to provide a single point compliance automation, risk manager & e-repository for secretarial records including past secretarial records.

BLISSGLOBAL is a cloud hosted key document management solution with Action Tracker that provides master data capture of the entity, e-repository for document management, Automated Tracker for managing event based and calendar-based activities.

BLISSDOCS is an Android/IOS based Board app for Directors which provides secure access to Board documents on Tablets/mobile phones, enhancing Directors productivity and making the Board meetings efficient & effective

CimplyBest is a tailormade software for Indian Corporates in conducting Corporate Board Evaluation which will optimize Board's Time & Effort with confidentiality assured.

CAIRR is a free to use website from CimplyFive that provides at your fingertips, an integrated view of the Companies Act, 2013, IB Code, 2016 and LODR, 2015. The site and app are updated every business day by 11 AM for changes in the Act & Regulations. For more details, please visit www.ca2013.com

Compliance Calendar for the month of June 2024

Compliances for Companies under Companies Act, 2013			
Sl. No.	**Compliance Requirement**	**Section/ Rules**	**Due Date**
1.	Form DPT-3 Return on deposits.	Section 73 of the Companies Act, 2013 read with Rule 16 of the companies (Acceptance of Deposits) Rules, 2014.	To be filed on or before 30th June, 2024

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Gist of regulatory changes in Companies Act, 2013, SEBI (LODR), 2015 and Insolvency & Bankruptcy Code, 2016 in the month of May 2024.

- **13-05-2024**

FAQs and general observations based on filing of Business Responsibility and Sustainability Report ("BRSR") by top 1000 listed entities based on market capitalization

BSE and NSE have addressed certain FAQs w.r.t. BRSR filing, collated certain observations and inconsistencies based on the filings undertaken in the FY 2022-23.

Key points of the circular are as below:

- Top 1000 listed entities based on market capitalization are required to mandatorily submit BRSR. Companies shall continue to comply with the requirement even if they fall below such thresholds. The list for the top 1000 listed entities as on March 31, 2024 is provided in the circular.
- The listed entities who do not form part of top 1000 listed entities can voluntarily submit the BRSR.
- Further, top 150 listed entities based on market capitalization are required to mandatorily obtain reasonable assurance of BRSR Core. Also, a copy of Reasonable Assurance Certificate is mandatorily to be attached along with the BRSR while submitting PDF & Annual Report with the Exchanges.
- BRSR needs to be submitted in both PDF and XBRL mode on the same day of submission of Annual Report with the Exchanges and the path for the submission is mentioned in the Circular.
- In case of companies that prepare Sustainability reports based on Internationally Accepted Reporting Frameworks, cross-referencing of disclosures made under such framework can be provided to avoid repetition in the Annual Report.
- Complete set of FAQs, observations and inconsistencies based on filings of FY 2022-23 are provided for in the circular.

- **20-05-2024**

SEBI LODR (Amendment) Regulations, 2024 vide notification dated 17/05/2024

The summary of this notification is as follows-

- The notification has laid down the manner of determining the market capitalization on the basis of which these regulations will now be applicable to the listed entities. A system shall further be put in place for BRSR/ BRSR Core disclosures within the period specified in the said notification.
- The provisions of these regulations shall continue to apply to such an entity unless its ranking changes in the list prepared by the recognized stock exchange and such change results in the listed entity remaining outside the applicable threshold for a period of three consecutive years and for an entity, the provisions that apply on the basis of criteria of market capitalisation shall cease to apply at the end of the financial year following the 31st December of the third consecutive year. Provided the listed entities that follow January to December as its financial year, the provisions shall cease to apply at the end of three months from 31st December of the third consecutive year (i.e. on 31st March).
- The applicability of Regulation 15 and 16 to 27 to a 'high value debt listed entity' has now been extended to 31st March 2025 which earlier was 31st March 2024 and accordingly the entity shall endeavour to comply with the provisions and achieve full compliance by March 31, 2025. In case of non-compliance the entity till such time, the entity shall explain the reasons for such non-compliance/ partial compliance and the steps initiated to achieve full compliance in the quarterly compliance report.
- The composition of Board of Directors w.r.t. the presence of independent woman director on the board now stands amended. The requirement of at least 1 independent woman director applicable to top 500 listed entities has been omitted. Now only top 1000 listed entities shall have at least one independent woman director on their Board.

- Top 1000 listed entities are no longer required to have minimum 6 directors on their Board. The provision is now applicable to only top 2000 listed entities. Similarly, only the top 2000 listed entities are required to have 1/3rd of its total strength or 3 directors, whichever is higher, including at least 1 independent director as quorum for every board meeting. The top 1000 listed entities are no longer mandated for such quorum in their board meetings.
- The gap between any two consecutive meetings of the risk management committee shall now not more than 210 days as opposed to 180 days, as stated earlier.
- Where the listed entity is required to obtain approval of a regulatory, government or statutory authorities for filling the vacancy in the office of a KMP, then such a vacancy shall be filled up not later than 6 months from the date of vacancy as opposed to the 3 months timeline.
- Fund raising, for which prior intimations are required to be provided, has been amended to further include the issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India).
- An intimation for determination of issue price in a QIP is not required if such placement is done in accordance with the provisions of the SEBI (ICDR) Regulations, 2018.
- The prior intimation for considering financial results and any alteration in securities of a listed entity or in the date of interest payable on securities specified therein shall also need to be intimated at least two working days in advance, excluding the date of the intimation and date of the meeting as opposed to 5 days and 11 working days. The date of such Board meeting shall be mentioned therein.
- The top 250 listed entities will now also confirm, deny or clarify any event or information occurring due to a material price movement as may be specified by the stock exchanges as soon as reasonably possible but in any case, not later than 24 hours from trigger of such material price movement and not the reporting of any event or information.
- When the listed entity confirms within 24 hours from the trigger of material price movement, any reported event or information on which pricing norms provided under Chapter V or Chapter VI of the SEBI (ICDR) Regulations, 2018 or those provided under Reg 8 or Reg 9 of the SEBI (SAST), 2011 or those provided under Reg 19 or Reg 22B of the SEBI (Buy-back of Securities) Regulations, 2018 or any other pricing norms specified by the Board or the stock exchanges are applicable, then the effect on the price of the equity shares of the listed entity due to the material price movement and confirmation of the reported event or information may be excluded for calculation of the price for that transaction as per the framework as may be specified by the Board.
- The promoter, director, KMP or senior management of a listed entity are now liable to provide adequate, accurate and timely response to queries raised or explanation sought by the listed entity in order to ensure compliance with the requirements under Regulation 30 (11) and the listed entity shall disseminate the response received from such individual(s) promptly to the stock exchanges.

SEBI SAST (Amendment) Regulations, 2024 vide notification dated 17/05/2024

The summary of this notification is as follows-

- The effect that a material price movement and the confirmation of reported event or information (as specified under Reg 30 (11) of the listing regulations) has on the price of the equity shares of the target company can be excluded to determine its offer price as well the price if such shares are offered as consideration under the SAST regulation.

SEBI PIT (Amendment) Regulations, 2024 vide notification dated 17/05/2024

The summary of this notification is as follows-

- The definition of "generally available information" now stands amended. The notification clearly states that along with its accessibility to the public on a non-discriminatory basis, any unverified event or information reported in print or electronic media shall not be considered as generally available information.

- **22-05-2024**

Issuance of Master circular for Issuers of listed Non-convertible Securities, Securitized Debt Instruments and/or Commercial Paper.

SEBI has issued a Master circular to enable the Issuers of listed Non-convertible Securities, Securitized Debt Instruments and/or Commercial Papers, along with their stakeholders to have access to all the applicable circulars at one place. This Master circular is a compilation of all the circulars issued till May 20, 2024.

The directions or other guidance issued by SEBI which are specifically applicable to such issuers shall continue to remain in force in addition to the provisions of any other law. The terms not defined in this Master Circular shall have the same meaning as provided under the relevant Regulations.

This master circular also lists out certain circulars in its Annexure 1 to which it supersedes.

Industry Standards on verification of market rumours

The ISF, comprising of three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, on a pilot basis, has formulated industry standards for effective implementation of verification of market rumours as required under Regulation 30(11) of SEBI (LODR) Regulations, 2015. The requirement to verify market rumours shall be applicable to top 100 listed entities w.e.f. June 01, 2024 and top 250 (i.e. next 150) listed entities from December 01, 2024.

Framework for considering unaffected price for transactions upon confirmation of market rumour

Top 100 listed entities (w.e.f. June 01, 2024) and the top 250 listed entities (i.e., next top 150) (w.e.f. December 01 ,2024) are required to confirm, deny or clarify market rumours caused due to material price movement as specified by the Stock Exchanges within twenty-four hours from trigger of material price movement. In event of the rumour being confirmed, the effect on the price of the equity share of the listed entity due to material price movement and its confirmation shall be excluded for calculation of price for that transaction. SEBI through this circular, has laid down in its Annexure, the framework along with the illustrations for considering the unaffected price.

- **28-05-2024**

Summary of the SEBI Circular dated 27/05/2024

Timelines for disclosures by Social Enterprises on Social Stock Exchange ("SSE") for FY 2023-24

SEBI vide this Circular has laid down the timelines for the social enterprises to make certain disclosures on SSEs. Accordingly, Not for Profit Organizations (NPOs) registered on SSE, including those who have listed their designated securities on SSE, are required to make annual disclosures on matters specified in the SEBI Circular dated September 19, 2022 by **31st October, 2024** for the Financial Year 2023-24.

Social Enterprises which have registered or raised funds through SSE shall also be required to submit their Annual Impact Report to SSE by **31st October, 2024** for the Financial Year 2023-24.

Solution for Riddles	**Solution for Quiz**
1. National Company Law Tribunal	1. B
2. Auditor	2. B
3. Company Secretary	3. C
4. Hostile takeover	4. B
5. Corporate Social Responsibility (CSR).	5. C

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About CimplyFive

Mission

Provide a cost-effective, secure web-based, menu driven, subscription services that provides curated resolutions, timely alerts and informative dashboards to free the management bandwidth for pursuing business goals

Vision

Leverage research and technology to eliminate procedural non-compliance risk for entities regulated by the Indian Companies Act, 2013



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