



**Sanjay Grover &
Associates**
Company Secretaries

LEGAL NEWSLETTER FOR THE MONTHS OF FEBRUARY & MARCH 2024

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I. MINISTRY OF CORPORATE AFFAIRS

1. Companies (Registration Offices and Fees) Amendment Rules, 2024

- **Applicable Date:** February 16, 2024
- **Applicable Entities:** All Companies
- **Brief on Amendment:** The MCA *vide* this notification has specified the jurisdiction of the Central Processing Centre established under Section 396(1) of the Companies Act, 2013. The aforesaid authority shall have the right to exercise in respect of the following application, e-forms or documents namely:
 - Filing of Resolutions and agreements to the Registrar under section 117 of the Act in e-Form no. **MGT-14**
 - Notice to Registrar of any alteration of share capital under section 64 of the Act in e-Form no. **SH-7**
 - Application for approval of Central Government for change of name under section 13 of the Act in e-Form no. **INC-24**
 - One Person Company- Application for Conversion under section 18 of the Act in e-Form no. **INC-6**
 - Conversion of public company into private company or private company into public company under sections 14 and 18 of the Act in e-Form no. **INC-27**
 - Intimation to Registrar of revocation/surrender of license issued under section 8 of the Act in e-Form no. **INC-20**
 - Return of deposits under sections 73 and 76 of the Act in e-Form no. **DPT-3**
 - Application to ROC for obtaining the status of dormant company under sub-section (1) of section 455 of the Act in e-Form no. **MSC-1**
 - Application for seeking status of active company under sub-section (5) of section 455 of the Act in e-Form no. **MSC-4**
 - Letter of Offer under section 68 of the Act in e-Form no. **SH-8**
 - Declaration of Solvency under sub-section (6) section 68 of the Act in e-Form no. **SH-9**
 - Return in respect of buy-back of Securities under sub-section 10 of section 68 of the Act in e-Form no. **SH-11**

It is pertinent to note herein that the aforesaid authority has been provided with a time period of **30 days** from the date of filing to make a decision on the applications, e-forms or documents under the said rules. However, this shall exclude those e-forms or documents that require an additional approval from the Central Government or the Regional Director or any other competent authority.

II. RESERVE BANK OF INDIA

1. Appointment/re-appointment of Director, Managing Director or Chief Executive Officer in Asset Reconstruction Companies

- **Date of Applicability:** February 27, 2024
- **Applicable Entities:** All Asset Reconstruction Companies
- **Brief on Amendment:** In furtherance to Section 3(6) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the guidelines contained in Para 5(i) of the Annex of the Circular dated October 11, 2022 requiring all Applicable Entities to obtain prior approval of the Department of Regulation Central Office RBI for appointment/re-appointment of any Director, Managing Director or Chief Executive Officer, the RBI vide this Circular has issued a form and an indicative list of documents as annexed in [Annex 1](#) and [Annex 2](#) of this Circular respectively.
The timeline for submitting these required information is at least 90 days before the vacancy arises/the proposed date of appointment or re-appointment.
- **Actionable If any:** The Applicable Entities shall take note of these additional set of Annexures and accordingly submit information as and when the requirement arises.

III. SECURITIES EXCHANGE BOARD OF INDIA

1. Guidelines for Returning of Draft offer document and its resubmission

- **Date of Applicability:** February 06, 2024
- **Applicable Entities:** All Listed Companies
- **Brief on Amendment:** The SEBI *vide* circular dated February 06, 2024 has issued guidelines for returning of draft offer document and its resubmission. The intention behind the introduction of this guideline was to ensure that offer document filed is complete in all parameters and thereby renders the investors greater clarity and consistency. The principles which are required to be followed by the Applicable Entities have been specified in Annexure A of this Circular. Some of the principles which have been highlighted are as follows:
 - Offer Document is drafted in simple language with visual representation of the data;
 - Offer Document is presented in a clear, concise and intelligible manner;
 - Offer Document shall avoid complex presentations that make the substance of the disclosure incomprehensible;
 - Risk facts are appropriately worded in simple, clear and unambiguous language.

Further it shall be also noted that on Resubmission of Offer Document the Issuer shall make a disclosure that it has resubmitted the document and shall also intimate its sectoral regulator about such resubmission.

- **SGA View:** The introduction of these principles would certainly reduce the processing time of offer documents as the lead managers and the issuers would now have an idea basis the principles introduced on what additional safeguards an offer document should contain.
- **Actionable if any:** The Entities intending to undertake to list their securities shall take note of this Circular.

2. **Amendment to Circular mandating additional disclosures by FPIs that fulfill certain objective criteria**

- **Date of Applicability:** March 20, 2024
- **Applicable Entities:** All Listed Companies
- **Brief on Amendment:** The SEBI *vide* this Circular has introduced additional exemption from the required of additional disclosures as specified under Para 7 of the Circular dated August 24, 2023 for certain Foreign Portfolio Investors (FPIs) as detailed below:

FPIs having more than 50% AUM in a corporate group after disregarding its holding in the apex company (having no identified promoter) subject to the following conditions:

- The Apex company of such group shall not have an identified promoter;
- The Composite holdings of all such FPIs in the apex company is less than 3% of the total equity share capital of the apex company.

It must be noted herein that for any prospective investment in the apex company by FPIs, that meet the 50% concentration criteria in the corporate group, **a time period of 10 trading days** shall be given to either realign their investments below 50% threshold or make additional disclosures as mandated in Circular dated August 24, 2023.

However, no such realignment shall be applicable unless the 3% cumulative limit for the apex company continues to be met through the said **10 trading days**.

- **Actionable if any:** The Applicable Entities shall take note of this relaxation in timelines and accordingly undertake required actions.

For more information on this or any further enquiries

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