

**RBI**

**Change in Bank Rates – Liquid Adjustment Facility**

RBI Monetary Policy Committee increases the following rates-

- a. Repo rate enhancement by 25 basis points to 6.50 percent.
- b. Standing Deposit Facility (SDF) rate to 6.25 percent
- c. Marginal Standing facility (MSF) rate to 6.75 percent.

**Implementation of Indian Accounting Standards (Ind AS) by all Asset Reconstruction Companies (ARCs)**

Some Asset Reconstruction Companies (ARCs) have been recognising management fees even though the said fee have not been realised for > 180 days. To address the prudential concerns arising from continued recognition of unrealised income, ARCs shall reduce the unrealized Management fee from their net owned funds while calculating the Capital Adequacy Ratio (CAR) and the amount available for payment of dividend.

**SEBI**

**SEBI mulls framework for REITs, InvITs to issue depository receipts (DRs)**

SEBI proposed to allow REITs and InvITs to issue DRs to provide foreign investors an opportunity to participate in the units of Indian emerging investment instruments. This will be beneficial for foreign investors as DRs avoid the need to trade directly with the Indian Stock Exchange.

**SEBI proposes bondholders' nod for related party transactions for Companies**

India's market regulator proposed that bondholders should have the right to object to related party transactions proposed by companies, which have listed high value debt securities. The proposal will be applicable in cases where more than 90% of the company's shareholding is with entities defined as related parties. If more than 75% of bondholders object to a transaction, then the board will have to withdraw it. The norms will be applicable to only listed non-convertible debt securities, according to SEBI.

**SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023**

SEBI has amended the definition of Green debt security which shall now include

- ✓ pollution prevention & control and sectors mentioned under the India Cooling Action Plan
- ✓ circular economy adapted products,
- ✓ blue bonds (which comprise funds raised for sustainable water management),
- ✓ yellow bonds (which comprise funds raised for solar energy generation) and
- ✓ transition bonds (which comprise of funds raised for transitioning to a more sustainable form of operations).

Further, Regulation 33A pertaining to Period of subscription has been inserted which provides that a public issue of debt securities or, non-convertible redeemable preference shares shall be kept open for a minimum of 3 working days and a maximum of 10 working days.

**SEBI amendment to Manner of achieving public shareholding**

SEBI, vide circular No. SEBI/HO/CFD/CMD/CIR/P/43/2018 had permitted different methods that may be used by listed entities to achieve compliance with the minimum public shareholding (MPS) requirements mandated under Rule 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 ("SCRR").

To facilitate listed entities achieve MPS compliance, few of the existing methods have been reviewed and rationalized and two additional methods have been introduced. The Stock Exchange(s) shall monitor the methods adopted by listed entities to increase their public holding and comply with MPS requirements in terms of this circular.

Non-compliance, if any, observed by the Stock Exchange(s) with respect to the method(s) and / or conditions prescribed herein, shall be reported to SEBI on a quarterly basis.



# CORPORATE NEWSFLYER

February 2023



## SEBI introduces issue summary document for filing IPO papers in XBRL format

SEBI introduced the issue summary document (ISD) for filing papers pertaining to IPO and for further issue of securities in XBRL format. The rollout of the ISD will be done in a phased manner starting March 1, 2023. SEBI has decided to introduce the ISD for IPO, FPO, further issues -- preferential issue, qualified Institutions Placement (QIP), rights issue, issue of ADRs, GDRs and Foreign Currency Convertible Bonds (FCCBs), among others.

## SEBI notifies governance norms for REITs , InvITs similar to listed companies

SEBI notified governance norms for REITs and InvITs on the lines of listed companies. In separate notifications, provisions related to tenure of auditor, computation of leverage and unclaimed or unpaid distribution have been streamlined. SEBI approved a proposal in December for introducing governance norms for REITs and InvITs on the lines of listed companies.

## SEBI mandates brokers, depositories to maintain websites

With an aim to bring in transparency, all stock brokers and depositories are required to maintain websites Such website would mandatorily display information viz., basic details of the SB/DP such as registration number, registered address of head office and branches and names and contact details such as E-mail IDs etc of all key managerial personnel, including compliance officer.

## SEBI directs regulated entities, exchanges to strengthen cybersecurity

SEBI has released an advisory directing regulated entities viz., stock exchanges, depositories, mutual funds and other financial sector organisations to strengthen their cybersecurity measures. It emphasised that in light of the interconnectedness and interdependency of the financial entities, "the cyber risk of any given entity is no longer limited to the entity's owned or controlled systems, networks and assets".

Encouraging market participants to ramp up their cybersecurity measures, SEBI marked out that the sophistication and persistence of the cyber-security threats have increased. It pointed out that regulated entities cannot afford to rely only on traditional approaches to risk management and governance that worked in the past but may not be comprehensive or agile anymore in an environment where the pace of technological change is redefining public and private enterprise.

## Filing of RPT and BRSR to be made available on NEAPS

Filing of Related Party Transactions (RPT) and Business Responsibility & Sustainability Report (BRSR) to be made available on the NEAPS (NSE Electronic Application Processing System) platform with effect from February 25, 2023.

**TAX**

**CBDT revises Income Tax Form (ITR – 7)**

Form ITR-7 relating to filing of Income Tax Return for the persons including companies required to furnish return under sections 139(4A) or 139(4B) or 139(4C) or 139(4D) has been revised.

**CBDT notifies Income Tax Return Forms for Assessment Year 2023-24**

The Central Board of Direct Taxes (CBDT) has notified Income-tax Return Forms (ITR Forms) for the Assessment Year 2023-24 vide Notifications No. 04 & 05 of 2023 dated 10.02.2023 and 14.02.2023. These ITR forms will come into effect from April 1, 2023 and have been notified well in advance in order to enable filing of returns from the beginning of the ensuing Assessment Year. In order to facilitate the taxpayers and to improve ease of filing, no significant changes have been made to the ITR Forms in comparison to last year's ITR Forms. Only the bare minimum changes necessitated due to amendments in the Income-tax Act, 1961 (the 'Act') have been made.

**OTHER**

**Government proposes quick settlement of contractual disputes to promote ease of doing business as announced in Union Budget 2023-24**

The Ministry of Finance on February 08, 2023 circulated a draft scheme for consultation with stakeholders. The scheme is aimed at bringing quick finality to certain contractual disputes in which Government of India or its agencies is a litigant. The draft scheme is available on the website of the Department of Expenditure(<https://static.pib.gov.in/WriteReadData/specificdocs/documents/feb/doc202328158601.pdf>) as well as on the MyGov.in Portal.