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From Waste to Wealth: Addressing India's Waste Management Challenges

India, with its vast population and rapid urbanization, faces formidable challenges in effectively managing its waste. The nation generates over 62 million tons of waste annuallyⁱ, yet only a fraction of this is properly treated and disposed of. The burgeoning waste problem not only poses severe environmental hazards but also threatens public health and urban aesthetics.

In this article, we will delve into the current state of waste management in India, examining the myriad challenges faced and the innovative techniques being adopted to address this critical issue.

Current State of Waste Management in India

India's waste management infrastructure is struggling to keep pace with the country's rapid urban growth. Much of the waste generated is either dumped in open landfills or burned, leading to severe air and soil pollution thereby contributing to environmental pollution and posing health threats. According to recent reportsⁱⁱ, only about 20-25% of the waste is segregated and processed through recycling or composting, while the rest is left to deteriorate in unsanitary conditions. Municipalities often struggle with inadequate infrastructure, limited financial resources, and insufficient public awareness about proper waste segregation and recycling practices. Despite these hurdles, there are ongoing efforts to improve waste management through innovative technologies, decentralized systems, and public-private partnerships. However, substantial progress is needed to achieve a sustainable and effective waste management system that can handle the growing demands of the nation.

Current challenges faced:

1. Lack of Infrastructure and financial constraints:

One of the primary challenges in India's waste management is the inadequate infrastructure for waste collection, segregation, and processing. In many urban and rural areas, the systems in place are either outdated or insufficient to handle the vast quantities of waste generated daily. In urban regions, rapid population growth and urbanization have outpaced the development of waste management infrastructure, leading to an overwhelming accumulation of waste. Streets and public spaces often become dumping grounds for uncollected garbage, creating unsanitary conditions and contributing to air and water pollution.

In rural areas, the situation is often exacerbated by a lack of access to basic waste management facilities. Many villages rely on traditional methods such as open burning or dumping waste in nearby fields and water bodies. The absence of proper waste segregation at the source further complicates the problem, as mixed waste is more difficult and costly to process.



Additionally, many municipalities face financial constraints that prevent them from investing in modern waste management technologies and infrastructure. The lack of adequate funding and resources means that waste collection services are often irregular, and waste treatment facilities are insufficient or non-existent. This results in a cycle of inefficiency, where waste accumulates faster than can be managed, leading to widespread pollution and health hazards.

2. **Public Awareness and Participation:**

Citizens lack fundamental understanding of how proper waste segregation at the source can drastically reduce the burden on municipal waste management systems. This lack of awareness leads to the mixing of biodegradable and non-biodegradable waste, making it challenging to recycle or compost materials effectively.

However, in many areas, there is a pervasive indifference or lack of knowledge about proper waste disposal practices. This indifference can be attributed to several factors, including inadequate education about waste management, limited access to recycling facilities, and a lack of incentives to encourage responsible behavior.

3. **Technological Limitations:**

Many regions in India still rely on outdated and inefficient waste processing technologies, which significantly hampers the country's ability to manage its waste effectively. These antiquated methods, such as open dumping and incineration without proper emission controls, not only fail to address the growing waste problem but also exacerbate pollution.

Incineration, when done without modern pollution control measures, releases harmful toxins and particulates into the air, posing serious health risks to nearby communities. Additionally, these traditional methods do not recover valuable resources from waste, resulting in the loss of potential materials that could be recycled or repurposed. This inefficiency underscores the urgent need for India to transition to modern, sustainable waste management technologies that can better handle the increasing volume and complexity of waste generated by its population.

By tackling these challenges head-on, India can move towards a more efficient and effective waste management system that benefits both its people and the environment.

Innovative Techniques and Solutions

Despite these challenges, there are several promising initiatives and technologies being implemented across the country to improve waste management:

1. **Waste-to-Energyⁱⁱⁱ Plants:** Waste-to-energy (WtE) plants represent a promising solution for managing India's growing waste problem while also generating renewable energy. These facilities convert non-recyclable waste materials into usable forms of energy, such as electricity, heat, or fuel, through various processes including incineration, gasification, and

anaerobic digestion. By reducing the volume of waste destined for landfills, WtE plants help mitigate the environmental issues associated with open dumpsites, such as leachate contamination and methane emissions. Moreover, the energy produced from waste can supplement traditional power sources, contributing to a more sustainable and diversified energy mix. However, it is crucial that WtE plants are equipped with advanced emission control technologies to minimize air pollution and adhere to stringent environmental standards. When implemented correctly, waste-to-energy plants offer a dual benefit of waste reduction and energy generation, making them a key component of an integrated waste management strategy.

- Advanced Recycling Techniques:** The adoption of advanced recycling technologies, such as mechanical biological treatment^{iv} (MBT) and pyrolysis, can significantly enhance the efficiency and effectiveness of waste processing in India. Mechanical biological treatment (MBT) combines mechanical sorting to separate recyclable materials with biological processes like composting or anaerobic digestion to treat organic waste. This dual approach not only maximizes the recovery of valuable resources, such as metals and plastics, but also reduces the volume of waste that needs to be landfilled by converting organic waste into compost or biogas. Pyrolysis, on the other hand, involves the thermal decomposition of organic materials in the absence of oxygen, transforming waste into useful products like bio-oil, syngas, and char. This process can handle a wide range of waste materials, including plastics and other complex compounds, reducing landfill reliance and creating alternative energy sources. By integrating these advanced recycling technologies, waste management systems can become more sustainable, efficient, and capable of extracting greater value from waste streams, ultimately contributing to a circular economy.
- Public-Private Partnerships^v:** Collaborations between the government and the private sector are proving to be highly effective in addressing waste management challenges in India. Private companies bring valuable technological expertise and substantial investment to the table, enabling the implementation of advanced waste processing and recycling technologies that are often beyond the financial and technical reach of municipal authorities. These collaborations facilitate the development of innovative solutions.

Meanwhile, the government plays a crucial role by providing regulatory support, creating conducive policies, and investing in necessary infrastructure. Public-private partnerships (PPPs) ensure that waste management projects are not only financially viable but also sustainable in the long run. The government's involvement helps streamline operations, enforce environmental standards, and ensure that projects align with broader public health and environmental goals. This synergy between public and private entities creates a robust framework for tackling waste management issues, ultimately leading to cleaner cities, reduced environmental impact, and improved quality of life for citizens.

- Awareness Campaigns and Education^{vi}:** To bridge the gap, comprehensive awareness campaigns are essential. These campaigns focusing on educating the public about the

environmental and economic benefits of waste segregation and recycling, using various media platforms to reach a broad audience. Schools, community centers, and local organizations can play pivotal roles in disseminating this information and fostering a culture of responsible waste management. Additionally, providing convenient access to recycling facilities and creating incentives for proper waste disposal can motivate citizens to participate actively.

By fostering a well-informed and engaged community, India can significantly enhance its waste management efforts, ensuring that municipal initiatives are supported by the active participation of the public. This collaboration is vital for creating a sustainable and efficient waste management system that can cope with the demands of the nation's growing population and urbanization.

5. **Landfill Management:** Effective landfill management is crucial for mitigating the environmental and health impacts associated with waste disposal. Properly managed landfills are designed to minimize the release of pollutants into the environment, including leachate and methane gas, which can contaminate groundwater and contribute to greenhouse gas emissions. This involves engineering controls such as impermeable liners to prevent leachate from seeping into the soil and groundwater, as well as gas collection systems to capture and either flare or utilize methane for energy production. Regular monitoring and maintenance are essential to ensure these systems function correctly and to detect any potential issues early. Additionally, effective landfill management includes strategies for extending the lifespan of landfills through waste diversion programs such as recycling, composting, and waste-to-energy initiatives. Implementing best practices in landfill management not only helps protect the environment and public health but also supports sustainable waste management by maximizing the utility of existing landfill space and promoting resource recovery.

Success Stories

1. Pune's SWaCH Cooperative^{vii}

In Pune, the SWaCH (Solid Waste Collection and Handling) cooperative is a notable success story. SWaCH, a cooperative of self-employed waste pickers, provides door-to-door waste collection services, ensuring efficient waste segregation at the source. With over 3,500 members, SWaCH collects waste from more than 600,000 households. This initiative not only improves waste management but also empowers waste pickers by providing them with stable employment and social security benefits. The cooperative model has significantly reduced the amount of waste going to landfills and has increased recycling rates in the city.

2. Alappuzha's Zero Waste Initiative^{viii}

Alappuzha, a small city in Kerala, has gained international recognition for its zero-waste initiative. The city implemented a decentralized waste management system that emphasizes source segregation and composting. Households are encouraged to compost organic waste, and non-biodegradable waste is collected separately for recycling. This initiative has drastically reduced the amount of waste sent to

landfills and has made Alappuzha one of the cleanest cities in India. The model has been so successful that it is being replicated in other parts of Kerala and beyond.

3. Indore's Cleanest City Campaign^{ix}

Indore, Madhya Pradesh, has consistently ranked as India's cleanest city in the Swachh Survekshan rankings. The city's success can be attributed to its robust waste management strategy, which includes 100% door-to-door collection, efficient waste segregation, and effective processing. Indore has set up multiple composting and recycling plants, significantly reducing the amount of waste sent to landfills. Public awareness campaigns and strict enforcement of waste segregation rules have also played a crucial role in maintaining the city's cleanliness.

4. Bangalore's Dry Waste Collection Centers^x

Bangalore has implemented an effective system of Dry Waste Collection Centers (DWCCs) to manage non-biodegradable waste. These centers collect, sort, and recycle dry waste such as plastics, paper, and metal. The initiative has significantly improved waste segregation at the source and has created livelihood opportunities for waste pickers and local communities. The DWCCs help divert a substantial amount of waste from landfills, promoting recycling and resource recovery.

Conclusion

India's journey towards effective waste management is fraught with challenges, but it is also marked by innovative solutions and resilient efforts. By embracing advanced technologies, fostering public-private partnerships, and enhancing public awareness, India can pave the way for a cleaner, more sustainable future. The collective effort of the government, private sector, and citizens is essential to overcoming the waste management crisis and ensuring a healthier environment for future generations.

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<https://www.taxmann.com/research/company-and-sebi/top-story/10501000000024357/from-waste-to-wealth-addressing-indias-waste-management-challenges-experts-opinion>

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ⁱ <https://www.teriin.org/waste#:~:text=A%20study%20by%20TERI%20found,health%20concerns%20in%20the%20country.>

ⁱⁱ [https://mohua.gov.in/pdf/627b8318adf18Circular -Economy -in-waste -management -FINAL.pdf](https://mohua.gov.in/pdf/627b8318adf18Circular%20-%20Economy%20-%20in%20waste%20-%20management%20-%20FINAL.pdf)

ⁱⁱⁱ <https://mnre.gov.in/waste-to-energy/>

^{iv} https://www.ctc-n.org/sites/www.ctc-n.org/files/UNFCCC_docs/ref15x06_35.pdf

^v <https://www.nswai.org/docs/ReportPPPMunicipalSolidWasteManagement270812.pdf>

^{vi} [https://swachhbharatmission.ddws.gov.in/sites/default/files/Swachhata-Samachar -PDF-English/Swachhata_Samachar_English_Nov_2023_0.pdf](https://swachhbharatmission.ddws.gov.in/sites/default/files/Swachhata-Samachar-PDF-English/Swachhata_Samachar_English_Nov_2023_0.pdf)

^{vii} <https://swachhcoop.com/>

^{viii} <https://www.cseindia.org/cse-releases-its-rating-of-selected-cities-which-manage-and-segregate-their-waste-most-efficiently-8748>

^{ix} <https://indorecity.in/how-indore-became-the-cleanest-city#:~:text=Indore's%20journey%20to%20the%20summit,landfill%20sites%20into%20green%20spaces.>

^x https://site.bbmp.gov.in/departmentwebsites/swm/Dry_Wast.html

Is it necessary to file LLP BEN 2 if BEN-2 or LLP BEN-2 is already filed?

Background

As per the Rule 8(b) of Companies (Significant Beneficial Ownership) Rules, 2018[‘Companies SBO rules’]ⁱ, if the holding company of the reporting company files form BEN-2 by attaching BEN-1, then the reporting company can simply mention the CIN of the holding reporting company and file the BEN-2 (i.e., it is not mandatory for the significant beneficial owner to give BEN-1 to each of the subsidiaries.

Introduction

Now vide notification dt November 09, 2023ⁱⁱ Ministry of Corporate Affairs (‘MCA’) have notified Limited Liability Partnership (Significant Beneficial Ownership) Rules, 2023 for identification of Significant Beneficial Owner [‘SBO’] in Limited Liability Partnerships [‘LLPs’]. So now concerned LLPs must file form LLP BEN-2 stating who is the SBO holding majority interest in the LLP. In this article we shall deal with a situation with respect to filing of LLP BEN 2 when a company is a member of LLP holding majority interest?

First let’s understand the above referred situation with the help of an example:

- A Pvt Ltd is holding company of B Pvt Ltd and B Pvt Ltd is holding company of C Pvt Ltd, and there is one individual Mr. X who is majority stakeholder in A Pvt Ltd. So, Mr. X is the SBO of all these companies in hierarchy. [i.e. B Pvt Ltd and C Pvt Ltd]
- Mr. X had given BEN-1 to B Pvt Ltd and B Pvt Ltd filed e-form BEN-2 by attaching the BEN-1 received from Mr. X. As B Pvt Ltd had filed form BEN-2 then C Pvt Ltd filed BEN-2 just by mentioning the CIN of B Pvt Ltd as its holding reporting company, without having received any BEN-1 from Mr. X.
- Now if C Pvt Ltd (i.e., subsidiary in the lower level of hierarchy) is a partner in ABC LLP holding more than 50% contribution, then can ABC LLP also give reference of the CIN of B Pvt Ltd as holding reporting company and file LLP BEN-2 OR whether Mr. X needs to give a separate LLP BEN-1 to this LLP?

If we refer to rule 10 of LLP SBO rulesⁱⁱⁱ which also talks about non-applicability, it does not provide any such exemption pertaining to holding reporting entity, probably because, unlike companies act, there is no concept of holding LLP in LLP Act 2008. Therefore, in the example given above, if B Pvt Ltd holds more than 50% contribution in any LLP, then Mr. X will have to give declaration to such LLP in form LLP BEN-1. Hence accordingly Mr. X will have to give separate declaration under LLP BEN-1 to ABC LLP for filing of LLP BEN-2.

What if one LLP holds majority interest in another LLP?

If BCD LLP holds 60% interest in FLD LLP and BCD LLP has already filed form BEN-2 then can FLD LLP simply mention SRN of LLP BEN-2 filed by BCD LLP?

There is some uncertainty with respect to filing of form LLP BEN-2 in case one LLP holds majority interest in another LLP. Even though the LLP Act does not define the concept of holding LLP neither LLP SBO rules do provide any exemption to holding LLP, yet the form BEN-2 provides in its purpose point NO 3, an option for declaration of holding reporting LLP.

Now, the point worth noting is that, even when there is no concept of holding LLP under LLP Act, 2008 then can form LLP BEN-2 provide for the same?

Filing of form LLP BEN-2 in such situations is tricky. As such points are very crucial while reporting about SBO, reporting LLPs are required to be extremely cautious in this regard. Consulting a professional expert is advisable so that further complications may be avoided.

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ⁱ These rules shall not be applicable to the extent of share of reporting company is held by holding reporting company provided the details of such holding reporting company shall be reported in form BEN -2

ⁱⁱ <https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=Mzc4MzU1MDIy&docCategory=Notifications&type=open>

ⁱⁱⁱ These rules shall not apply to the extent the contribution of the reporting limited liability partnership is held by.- (a) the Central Government, State Government or any local authority; (b) (i) a reporting limited liability partnership, or (ii) a body corporate, or (iii) an entity, controlled by the Central Government or by one or more State Government, or partly by the Central Government and partly by one or more State Government; (c) an investment vehicles registered with, and regulated by the Securities and Exchange Board of India, such as mutual funds, alternative investment funds (AIF), Real Estate Investment Trusts (REITs), Infrastructure Investment Trust (InVITs). (d) an investment vehicles regulated by the Reserve Bank of India, or the Insurance Regulatory and Development Authority of India, or the Pension Fund Regulatory and Development Authority.



Role and responsibilities of Nominee director – An analysis

Introduction.

If a company is an artificial person, then the board of directors can be called the brain of such person, as they are the natural persons through whom the company functions. For the convenience of better functioning of companies, the Companies Act 2013 allows for appointment of various types of directorsⁱ. The explanation to sub-section 7 of section 149 defines nominee director as, “nominee director” means a director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government, or any other person to represent its interests” Subject to the article of association of the company the board of directors may appoint any person as a director nominated by any institution in pursuance of the provision of any law for the time being in force or of any agreement or by central government or state government by virtue of shareholding in the companyⁱⁱ.

From the above analysis, it is amply clear that nominee director is appointed on the board of the company to take care of someone else’s, that is his nominating institutions interest. Therefore, generally it is observed that the nominee directors are involved only in those matters which relate to the interest of the nominators and no other matters. This situation gives rise to a question that whether the nominee director is answerable only to the nominators or he should be concerned with the best interest of that company as well on whose board he is appointed as director?

In this article, we shall try to find an answer to this dilemma with the help of judicial pronouncements.

Provisions of section 166 of the act.

Section 166(2)ⁱⁱⁱ of the act requires all the directors to act in good faith and in the best interest of the company. This section does not provide any exception to nominee directors. Therefore, even if they are appointed by nominators and not by shareholders, ones appointed on the board of directors, they are required to adhere to provisions of section 166 which makes all the directors responsible for the wellbeing of the company. We shall now see judicial pronouncement in this regard.

Judicial pronouncements.

Question with respect to the role of nominee director was addressed by the Hon’ble Supreme Court of India in the matter of Tata Consultancy Services Limited and Ors. v/s Cyrus Investments Pvt. Ltd. And Ors^{iv}. While discussing about the affirmative voting rights given to nominee directors nominated by majority shareholders of Tata Sons (‘the Tata trusts’), the Hon’ble Supreme Court of India held as follows, “19.30 Coming to the argument revolving around the duty of a Director, it is necessary that we balance the duty of a Director,

under Section 166(2) to act in the best interests of the company, its employees, the shareholders, the community and the protection of environment, with the duties of a Director nominated by an Institution including a public charitable trust. They have fiduciary duty towards 2 companies, one of which is the shareholder which nominated them and the other, is the company to whose Board they are nominated.

19.34 The question as to (i) what is in the interest of the company, (ii) what is in the best interest of the members of the company as a whole and (iii) what is in the interest of a nominator, all lie in locations whose borders and dividing lines are always blurred.”

Reference in this regard can also be made to one more judgment pronounced by Hon’ble Delhi High Court in the matter of Bhardwaj Thuiruvenkata ... vs Ashok Arora on 23rd February 2017. In this case, the Hon’ble Delhi High Court was to determine the vicarious liability of a nominee director in the case of cheque bounce. The Hon’able High Court referred to section 149(12)^v and held that, a nominee director can be held liable only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently. Therefore, a nominee director cannot be held vicariously liable in absence of clear and specific allegations. In this judgment the Hon’ble High Court has referred to a judgment of division bench of Hon’ble Gujarat High Court in the matter of Ionic Metalliks v. Union of India^{vi}, where in the Hon’ble High Court has explained the types of directors and about nominee directors as follows,

“8. Nominee Directors: They can be appointed by certain shareholders, third parties through contracts, lending to public financial institutions or banks, or by the Central Government in case of oppression or mismanagement. The extent of a nominee Director's rights and the scope of supervision by the shareholders is contained in the contract that enables such appointments, or (as appropriate) the relevant statutes applicable to such public financial institution or bank. However, nominee Directors must be particularly careful not to act only in the interests of their nominators but must act in the best interests of the company and its shareholders. The fixing of liabilities on nominee Directors in India does not turn on the circumstances of their appointment or, indeed, who nominated them as Directors. Chapter 4 and Chapter 5 set out certain duties and liabilities that apply to, or can be affixed on, Directors in general. Whether nominee Directors are required by law to discharge such duties or bear such liabilities will depend on the application of the legal provisions in question, the fiduciary duties involved and whether such nominee Director is to be regarded as being in control or in charge of the company and its activities. This determination ultimately turns on the specific facts and circumstances involved in each case.”

Analysis of pronouncements.

By referring to all these judgments, we may say that the nominee directors are duty bound to their nominating institutions as well as to the company on whose board they are appointed. They cannot think of interest of nominating institution itself in isolation. They must strike a balance between the interests of both the parties. Even though they are not involved in day-to-day affairs of the company, they attend all the board meetings and therefore, are answerable for all the acts carried out through board processes.

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Conclusion:

To conclude, we can say that it would be incorrect to derive a straight conclusion that nominee directors are not responsible answerable for activities of the company and are answerable only for safeguarding the nominator's interests. As mentioned in section 149(12) and the above-mentioned pronouncements, he is also answerable for those acts of the company which are attributable through board processes. He must fulfill the duties of directors as prescribed under section 166 of the act. However, as far as regulatory actions are concerned, nominee director cannot be punished just because he is a director of the company. Specific allegations must be made and proved against him for making him liable for punishment.

This article is published in Taxmann. The link to the same is as follows:

<https://www.taxmann.com/research/company-and-sebi/top-story/10501000000024313/role-and-responsibilities-of-nominee-director-%E2%80%93-an-analysis-experts-opinion>

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ⁱ 161 (3)

ⁱⁱ 161 (3)

ⁱⁱⁱ 166(2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.

^{iv} <https://indiankanoon.org/doc/5416696/>

^v 149(12) Notwithstanding anything contained in this Act, -

(i) an independent director;] &

(ii) a non-executive director not being promoter or key managerial personnel, shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently

^{vi} Ionic Metalliks v. Union of India, 2014 SCC Online Guj 10066; (2015) 2 GLH 156.



Audiovisual (AV) presentation of disclosures made in Public Issue Offer Documents

Background

Securities and Exchange Board of India ('SEBI') has been acting stern against influencers doing publicity by word of mouth for IPOs. In a move to help investors get right information SEBI has now vide its circular dt: May 21, 2024, decided that salient disclosures made in the Draft Red Herring Prospectus (DRHP), Red Herring Prospects (RHP) and Price Band Advertisement for public issues shall also be made available in Audio Visual format (AV) for ease in understanding the features of public issues. Following are few questions relating to the implementation of this circular:

1. Is it mandatory to prepare AV or it is optional?

SEBI circular of May 24, 2024, states that AV shall be prepared containing salient disclosures made in the Draft Red Herring Prospectus (DRHP), Red Herring Prospects (RHP) and Price Band Advertisement for public issues shall also be made available in Audio Visual format (AV) for ease in understanding the features of public issues. Hence it is mandatory to prepare AV for public issues where DRHP is filed after October 1, 2024. Prior to that it is voluntary for companies filing DRHP with SEBI to submit AV. AV shall contain only such information as contained in the draft offer document/offer document.

2. AV shall be prepared for which issues under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018?

Such AV shall be placed in the public domain for all main board public issues.

3. In what language can the AV be prepared?

The same shall initially be in bilingual format i.e., English and Hindi. The Hindi version shall contain text in Devanagari script. It means that if AV is prepared in 'Hindi version' then the text, if any displayed therein in the AV or banners, if any or posters, if any displayed in the AV shall be in 'Devanagari script.'

4. When and where shall the AV be made available by the issuer companies?

Where and when should the AV be made available?	On the website of the Issuer and Association of Investment Bankers of India (AIBI) within five working days of the filing of DRHP with SEBI. The AV shall be made accessible through QR code (as made available in offer related documents) pertaining to the public issue.
Is AV required to be made available on stock exchange?	The web link of the said AV shall be made available on the websites of the Stock Exchanges and the Lead Managers to the issue.
Can AV be made	The AV shall also be made available on digital/social media platforms of the Issuer and AIBI.

available on social media platform	
If updated DRHP is filed does AV also needs to be updated?	In case of pre-filing of draft offer document under CHAPTER IIA of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 [i.e. IPO on main board through pre-filing of draft offer document'], the AV shall be made available within 5 working days of filing Updated Draft Red Herring Prospectus -I, as defined under Clause 59A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

5. Whether AV needs to be prepared by companies bringing out IPO on SME platform?

SEBI circular dt: May 24, 2024, states that AV shall be prepared for all main board issues. Hence AV is not required to be prepared for IPOs proposed on SME platforms.

6. Whether this AV needs to be approved or vetted by SEBI?

No there is no requirement of getting the AV vetted from SEBI.

7. What is the regulatory framework for Audiovisual (AV) presentation of disclosures made in Public Issue Offer Documents?

a. AV to follow the provisions regarding "Public communications and publicity materials" prescribed under Schedule IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Accordingly, AV shall follow below quoted pointers as provided under Schedule IX:

(a) AV shall be truthful, fair and shall not be manipulative, deceptive, or distorted and it shall not contain any statement, promise, or forecast which is untrue or misleading.

(b) AV if it reproduces or purports to reproduce any information contained in the draft offer document it shall reproduce such information in full and disclose all relevant facts not to be restricted to select extracts relating to that information. It means that whatever topic is taken from DRHP it shall be reproduced in full elaboration without leaving any room for confusion.

(c) AV shall be in a clear, concise, and understandable language.

(d) AV shall not include any issue slogans or brand names for the issue except the normal commercial name of the issuer or commercial brand names of its products already in use or disclosed in the draft offer document. AV can provide information regarding their products, but it shall not do a marketing of their products.

(e) AV it shall not contain expletives or non-factual and unsubstantiated titles. It means that the titles used in the AV viz. Dr, CA, MBA etc shall be backed by the degrees or certificates for same.

(f) AV if it presents any financial data, data for the past three years shall also be included alongwith particulars relating to revenue, net profit, share capital, reserves / other equity (as the case may be), earnings per share, dividends, and the book values, to the extent applicable.

(g) AV shall not use technical, legal, or complex language and excessive details which may distract the investor. AV shall not use technical language e.g., per barrel profit or per bag profit or yield per sq. mtrs etc. It should also not highlight features of product being sold.

(h) AV shall not contain statements which promise or guarantee rapid increase in revenue or profits.

(i) AV shall not display models, celebrities, fictional characters, landmarks, caricatures, or the likes.

(k) AV is not allowed to be published on television

- b. AV shall contain following disclaimer to investors: *“Investors are advised not to rely on any other document, content or information provided in respect to the public issue on the internet/online websites/social media platforms/micro-blogging platforms by influencers. Investors are advised to rely only on the information contained in the Offer document and Price Band Advertisement for making investment decision.”* But it needs to be assessed if this disclaimer is good enough? It should also be mentioned that investors before investing shall also refer the investor presentations made by the company, stock exchange disclosures and draft red herring prospectus filed by the company.
- c. The AV shall be updated with information disclosed in RHP/ Prospectus and price band advertisement including details of the issue opening/closing date, price/ price band etc., and uploaded on the date of publication of the price band advertisement or the date of filing of prospectus (in case of fixed price issues)
- d. AV shall cover material disclosures made under various sections of the DRHP and RHP viz. about the company, risk factors, capital structure, objects of the offer, business of the issuer, promoters, management, summary of financial information, litigations, material developments and terms of the offer etc.
- e. Contents of AV must be factual, non-repetitive, non-promotional and shall not be misleading in any manner.

8. Who shall be responsible for AV?

The Issuer and all Lead Managers to the public issue shall be responsible for the content and information made available in the AV.

9. Post listing of the company on stock exchanges for what period of time this AV shall be made available on the websites as mentioned above?

SEBI has not provided any timeline for which the AV shall be placed on the websites post listing of the company. Hence post listing the listed company may be guided by the policy on preservation of documents framed as per Reg. 9 of SEBI LODR.

10. If a company is unsuccessful in getting its shares listed on filing of draft offer documents, then if it refiles the draft offer documents with SEBI will it be required to prepare the AV again or the earlier AV would be allowed?

AV to follow the provisions regarding “Public communications and publicity materials” prescribed under Schedule IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. So, if there is a change in the draft offer document resubmitted with SEBI accordingly changes will have to be conducted in the AV.

This article is published in Taxmann. The link to the same is as follows: -

<https://www.taxmann.com/research/company-and-sebi/top-story/10501000000024405/audiovisual-av-presentation-of-disclosures-made-in-public-issue-offer-documents-ex>

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Are Listed companies making disclosures updating material development ?

Introduction:

Regulation 30 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirement), Regulations, 2015 ('SEBI LODR') read with Schedule III of SEBI LODR provides for disclosure of events or information by listed entities to stock exchanges. This regulation casts responsibility on the listed entities to make disclosures of any event or information which, in the opinion of the board of directors of the listed company are material. Regulation 30 (7) of SEBI LODR provides as follows: "The listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/ closed, with relevant explanations. Hence as per SEBI LODR, continuous updates on disclosures already made to stock exchanges are required to be made so that market participants are updated in this regard.

In this article we are going to ascertain and understand as to what can be considered as 'material developments' for the purpose of giving updates on already disclosed information to stock exchange.

Analysis

The term 'material development' is not defined in SEBI LODR. As per Merriam Webster dictionary- the word 'material' would mean – 'having real importance or great consequences. So, it means any development on the already disclosed event or information which has a greater consequence or is a significant development on the already disclosed event or information, will be considered as 'material development.' To understand this further let us see few enforcement orders of SEBI in this regard.

In the case of Asian (Hotels) North Limitedⁱ ('company'), SEBI had alleged company for violation of regulations 30(7) of SEBI LODR. In this order, the company on November 13, 2020, disclosed to the stock exchange, restructuring plan approved by its Board of Directors. Further in this matter one of the lenders i.e. Yes Bank had issued a Loan Recall Notice dated February 17, 2022, against the company, and declared the company's account as NPA with effect from December 20, 2020. The company assailed this action of Yes Bank before Hon'ble Delhi High Court. This loan recall notice as well as related litigation were not disclosed by the company to the stock exchange at all. In this regard Asian (Hotels) North argued that "the default of the Company and declaration of NPA as alleged by Lenders, had been principally stayed by the Hon'ble Delhi High Court and is sub-judice before the Hon'ble Delhi High Court. Aforesaid issues were yet to be decided by the Hon'ble Delhi High Court, even at the interim stage, thus, there was no occasion to make any disclosure regarding declaration of the Company's accounts as NPA."

In response to this SEBI stated that, "Loan recall Notice, declaration of loan as NPA by the lenders and filing of suit by company before Hon'ble High Court of Delhi etc. are **intricately linked** with the implementation of the Restructuring Plan which had been disclosed earlier by the Company. Therefore, as per the requirement of Regulation 30(7), Noticee was required to make the disclosures regarding the same and make such disclosure regarding developments on a regular basis until the

event is resolved. As per Regulation 30(7), even the said litigation, though sub judice, was required to be disclosed until decided by the court or final resolution was there.”. In this case SEBI stated that as it was already disclosed that company would be undergoing a restructuring then it meant that the debts would be settled by all lenders. But when Yes Bank decided not to be a part of restructuring plan and seek the repayment of debts this event would mean that there would be a change to restructuring plan. Hence this was required to be disclosed.

Further in one more adjudication order of AGI Greenpac Limitedⁱⁱ (‘Noticee’) it was seen that, Noticee had made a disclosure to the exchanges dated October 31, 2022, which mentioned that the Resolution Professional had issued a letter of intent to the noticee confirming that the committee of creditors of HNG Industries Ltd (‘HNGIL’) had approved resolution plan submitted by the Noticee and declared Noticee as the successful resolution applicant in the Corporate Insolvency Resolution Process of HNGIL. Further Noticee mentioned that as per regulations of Competition Commission of India (CCI) they had to file certain forms with CCI with regard to such proposed transaction with HNGIL. Further Noticee repeatedly made disclosure to NSE, that it had had filed certain forms with Competition Commission of India (CCI) as per the Regulations of CCI. However CCI in its order dated March 15, 2023 had stated as follows: ‘The Commission in its meeting held on February 9, 2023, considered the information on record, details provided in the Notice and the responses filed by the Acquirer, and formed a prima facie opinion that the Proposed Transaction is likely to cause an appreciable adverse effect on competition(AAEC) in relevant market(s) in India. Accordingly, in terms of Section 29(1) of the Act, a show-cause notice dated 10 February 2023 (SCN) was issued to the Acquirer, wherein the Acquirer was directed to respond in writing, within 30 days of the receipt of the SCN, as to why investigation in respect of the Proposed Transaction should not be conducted.’ Noticee had not disclosed to stock exchange about this SCN issued by CCI. Noticee had failed to disclose the material developments with respect to SCN issued by CCI. Here SEBI mentioned that “CCI had issued the SCN after forming an opinion about the proposed transaction which was likely to cause an adverse effect. Thus, the Noticee should had disclosed the issuance of the SCN as it could had led to material impact.”

Noticee contended that receipt of SCN from CCI, was only a prima facie opinion given by CCI against proposed transaction and the issuance of the said SCN did not even culminate into an investigation by the CCI against it. Also Noticee mentioned that as soon as CCI approved the proposed transaction same was promptly informed to SE on March 16,.2023 of the receipt.

SEBI stated that ‘CCI issued the SCN after forming an opinion that the proposed transaction was likely to cause an adverse effect. Thus, the Noticee should had disclosed the issuance of the SCN as it could had led to material impact. Further, the Noticee should had disclosed the same as a material development.’

Particularly important to note in this adjudication order that SEBI was of the view that once the disclosure of the CCI order to exchange had been deemed material, any challenge, litigation with respect to the order which **had the effect of changing the outcome of the CCI order, thus would be material.**

So, after understanding the views taken by SEBI, we can say that any event /information which has capacity to change the outcome of what was already disclosed to stock exchange can be considered as material development. Further one of the understandings is also that the original

event/ information should be intricately linked to the material developments around it in order to be disclosed to stock exchange.

In the adjudication order of Future Enterprise Limited ('FEL')ⁱⁱⁱ it was seen that FEL was a Future Group Company. Arbitration Proceedings was initiated by Amazon on October 05, 2020 before Singapore International Arbitration Centre ('SIAC') wherein the promoters of the FEL, were respondents. The said Arbitration proceedings were inter alia with respect to the composite Scheme of Arrangement between Future Group and Mukesh Dhirubhai Ambani (MDA) Group. Thereafter Amazon obtained an interim order from 'SIAC' on October 25, 2020, preventing the transaction's progression.

Now FEL had earlier provided a disclosure on August 29, 2020, about the composite scheme between Future group and MDA Group under the provisions of regulation 30 of LODR Regulations to exchanges. However, FEL delayed disclosing information about arbitration initiation by Amazon against such composite scheme to exchanges until November 1, 2020, resulting in alleged violations of SEBI LODR Regulations.

The FEL had defended itself by stating that commencement of the Arbitration Proceedings was not considered a material event by the FEL and thus not disclosed. FEL further contented that as it was neither a party to any agreement nor to arbitration proceedings initiated by Amazon because , Future Retail Limited, a group company of the FEL had filed its objections to the Arbitration Proceedings on October 06, 2020 before SIAC.

SEBI stated that 'the 'Scheme' which was inter-alia the subject matter of the arbitration proceedings was already disclosed by the FEL to exchange as a material event and therefore the arbitration proceedings and its outcome having an effect of stay on scheme between Future Group and MDA Group, should had been disclosed by the FEL.

The key learnings from this matter highlight the importance of timely and transparent disclosure of material events by listed companies, the necessity of a clear process for assessing the materiality of information, and strict adherence to regulatory requirements like SEBI LODR.

In one of the Settlement orders of PC Jewellers limited ^{iv}, it was seen that PC Jeweller Limited ('PCJ') violated regulation 30(1), 30(4)(i) and 30(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by failing to regularly update the stock exchanges about material developments regarding its proposed buy-back offer. Specifically, PCJ had not disclosed the State Bank of India's ('SBI') objections to the buy-back offer in a timely manner, even though these objections constituted material information.

On May 10, 2018, the Board of Directors of PCJ had approved the proposal of "buy-back" of its fully paid-up equity shares from its shareholders through the tender offer route. On July 07, 2018, PCJ wrote to SBI for providing 'no objection certificate' ('NoC') for its proposed "buy-back" offer and on same day SBI issued its objection to PCJ. Letter issued by SBI dated July 07, 2018, wherein SBI had refused permission to PCJ to go ahead with its "buy-back" offer and stated that –*"we advise that the present priority of the lenders is towards reduction of overall Bank exposure while maintaining adequate liquidity in the company to support its operations. Accordingly we are not in favour of the proposed buyback plan which envisage outflow of Rs. 424.00 crs of cash/funds in the*

form of buyback. We therefore advise that Bank had decided to not to permit to go ahead with its proposed buyback plan.

On July 12, 2018, PCJ again wrote to SBI for granting NoC for its proposed “buy-back” offer to which SBI showed its inability to accede to the request of PCJ for granting NoC to its proposed “buy-back” offer.

On July 13, 2018, PCJ had made a corporate announcement that its “buy-back” offer was withdrawn due to non-receipt of NoC from its bank SBI.

Exchanges came to know about this event of objections raised by SBI for buyback offer vide its letter dtd July 7, 2018 when they sought clarification from SBI. PCJ had not disclosed the information about the objection of SBI to BSE as well NSE.

PCJ had admitted before BSE that *‘it had not appraised its board of the necessary approvals that would be required for successful initiation of “buy-back” offer. This action of PCJ was not in keeping with the principles of full disclosures and transparency, even to its board, especially in view of the fact that its management was aware that the consent of the bank was required as a pre-condition as mentioned in the loan covenants.* SEBI stated that PCJ should have notified BSE about refusal of NoC by SBI on July 07, 2018, instead of waiting till end of the period of postal ballot, as it constituted material information in regard to the ongoing voting for approving its “buy-back” proposal.

When NSE mentioned to PCJ that they should have informed the exchange about the developments of buy back offer & SBI’s Objection to the same, PCJ contended before NSE that the objection raised by SBI was not material.

SEBI observed that PCJ had not disclosed the objection raised by SBI vide letters dated July 07, 2018 and July 12, 2018 for its proposed “buy-back” offer and on July 13, 2018, it had disclosed to BSE and NSE that in view of the non-receipt of the requisite NoC from SBI, its board of directors had decided to withdraw the “buy-back” offer. SEBI had found that non-disclosure of SBI’s objections by PCJ was a material information and required to be disclosed to the stock exchanges as prescribed under the regulation 30(1), 30(4)(i) and 30(7) of the LODR Regulations.

On perusal of above referred orders, what can be considered as ‘material development’ of already disclosed event or information would differ on case to case. Hence it is necessary to keep track of updates or developments happening in relation already disclosed events or information. Once they are identified it needs to be ascertained on following parameters whether they are material developments or not?

1. **Intricately Linked Events:** Developments having consequences that are going to affect the previously disclosed material events should be updated as material developments.
2. **Potential Impact on Previously Disclosed Information:** Any event or information that has the potential to change the outcome of what was already disclosed to the stock exchange should be considered material. This includes updates that might affect the company's financial health, strategic initiatives, or regulatory compliance.

Conclusion:

The cases discussed highlight the common pitfalls where companies misinterpret or fail to recognize the need for continuous disclosure, particularly when events are still under adjudication or subject to regulatory scrutiny. Listed Companies need to understand that the materiality of an event is not limited to its initial disclosure but extends to any subsequent developments that could influence the event's outcome. Listed entities must put in place systems for identifying material developments and diligently update the stock exchanges about ongoing developments until the issues are resolved or closed.

This article is published in Taxmann. The link to the same is as follows: -

<https://www.taxmann.com/research/company-and-sebi/top-story/10501000000024387/are-listed-companies-making-disclosures-updating-material-development-experts-opinion>

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ⁱ https://www.sebi.gov.in/enforcement/orders/apr-2024/adjudication-order-in-the-matter-of-asian-hotels-north-limited_83032.html

ⁱⁱ https://www.sebi.gov.in/enforcement/orders/apr-2024/adjudication-order-in-the-matter-of-agi-greenpac-limited_83117.html

ⁱⁱⁱ https://www.sebi.gov.in/enforcement/orders/mar-2022/adjudication-order-in-respect-of-future-enterprises-limited-in-the-matter-of-future-enterprises-limited_56883.html

^{iv} https://www.sebi.gov.in/enforcement/orders/nov-2019/settlement-order-in-respect-of-pc-jeweller-limited-in-the-matter-of-pc-jeweller-limited_44871.html



NEWS UPDATES/AMENDMENTS FOR THE MONTH AUGUST 2024

Sr. No.	News Updates/Amendments	Link & Brief Summary
	NEWS	
01	Company registrations dip 11% in July, LLPs' rise 21%	<p>https://cfo.economictimes.indiatimes.com/news/strategy-operations/company-registrations-dip-11-in-july-llps-rise-21/112640421?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-08-20&dt=2024-08-20&em=aGFzdGl2b3JhQG1tamMuaW4=</p> <p>Company registrations saw year-on-year decline in three out of the first four months of this financial year ,after surge record levels is 2023-2024.</p>
02	Revival in overseas fundraising by Indian companies reflects shifting domestic credit market dynamics: RBI Bulletin	<p>https://cfo.economictimes.indiatimes.com/news/revival-in-overseas-fundraising-by-indian-companies-reflects-shifting-domestic-credit-market-dynamics-rbi-bulletin/112640769?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-08-20&dt=2024-08-20&em=aGFzdGl2b3JhQG1tamMuaW4=</p> <p>Indian firms are turning to international markets to raise funds as global investor interest grows, and borrowing costs improve.</p>
03	Sebi to review reverse book building process and other alternatives for delisting	<p>https://legal.economictimes.indiatimes.com/news/regulators/sebi-to-review-reverse-book-building-process-and-other-alternatives-for-delisting/112594717?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etlegal_news_2024-08-19&dt=2024-08-19&em=aGFzdGl2b3JhQG1tamMuaW4=</p> <p>The market regulator, Security Exchange Board of India (SEBI) has suggested to undertake review of reverse book building process and other alternative for delisting , according to 2023-2024 annual report.</p>
04	India will need around 1 lakh company secretaries by 2030: ICSI	<p>https://cfo.economictimes.indiatimes.com/news/india-will-need-around-1-lakh-company-secretaries-by-2030-icsi/112617656?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-08-19&dt=2024-08-19&em=aGFzdGl2b3JhQG1tamMuaW4=</p>

		With more than 73,000 company secretaries presently, ICSI aimed to attract young talent as India hopes to become a USD 7 trillion economy by 2030.
05	Sebi mulls making rights issues more lucrative for companies to raise money	<p>https://economictimes.indiatimes.com/markets/stocks/news/sebi-mulls-making-rights-issue-more-lucrative-for-companies-to-raise-money/articleshow/112653555.cms</p> <p>To boost fundraising through rights issues, Sebi has proposed removing the need for Draft Letter of Offer (DLoF) and simplifying the Letter of Offer (LoF). Feedback was sought on reducing timelines and revising intermediary roles. Major funds were raised via Qualified Institutional Placements and preferential allotments in FY24, indicating a shift in capital-raising methods.</p>
06	India Inc wants higher CSR share, more companies in youth internship scheme	<p>https://cfo.economictimes.indiatimes.com/news/strategy-operations/india-inc-wants-higher-csr-share-more-companies-in-youth-internship-scheme/112647785?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-08-21&dt=2024-08-21&em=aGFzdGl2b3JhQG1tamMuaW4=</p> <p>The youth internship scheme unveiled by Finance Minister Nirmala Sitharaman in the budget 2024 has the potential to make a significant impact on India's workforce development.</p>
07	Regulators, ICAI agree to align key a/c standard	<p>https://cfo.economictimes.indiatimes.com/news/tax-legal-accounting/regulators-icai-agree-to-align-key-a/c-standard/112823618?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-08-27&dt=2024-08-27&em=aGFzdGl2b3JhQG1tamMuaW4=</p> <p>Institute of Chartered Accountants of India (ICAI) also agreed to revise the Standard on Quality management (SQM), a mechanism for quality management for audits or reviews of financial statements ,where public consultations have been completed.</p>
08	RBI looks to soften blow of tighter infrastructure funding rules	<p>https://cfo.economictimes.indiatimes.com/news/policy/rbi-looks-to-soften-blow-of-tighter-infrastructure-funding-rules/112823713?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-08-27&dt=2024-08-27&em=aGFzdGl2b3JhQG1tamMuaW4=</p> <p>RBI is considering a phased approach to increasing provisioning for project financing to ease the impact on lenders and protect profitability.</p>

09	Plan in works to put FPI & FDI rules on equal footing	<p>https://cfo.economictimes.indiatimes.com/news/policy/plan-in-works-to-put-fpi-fdi-rules-on-equal-footing/112792361?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-08-26&dt=2024-08-26&em=aGFzdGl2b3JhQG1tamMuaW4=</p> <p>Currently, an FPI or an investor group can hold only up to 10% equity in a listed company. More than 10% is allowed through FDI.</p>
10	Sebi mulls tightening merchant bankers rules; enhances net worth requirements	<p>https://legal.economictimes.indiatimes.com/news/regulators/sebi-mulls-tightening-merchant-bankers-rules-enhances-net-worth-requirements/112874524?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etlegal_news_2024-08-29&dt=2024-08-29&em=aGFzdGl2b3JhQG1tamMuaW4=</p> <p>Capital markets regulator Sebi on Wednesday proposed stricter norms for merchant bankers enhancing qualification requirements and raising net worth threshold by 10 times to Rs 50 crore.</p>
11	RBI plans to implement uniform licensing for online and offline payment aggregators	<p>https://legal.economictimes.indiatimes.com/news/regulators/rbi-plans-to-implement-uniform-licensing-for-online-and-offline-payment-aggregators/112872066?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etlegal_news_2024-08-29&dt=2024-08-29&em=aGFzdGl2b3JhQG1tamMuaW4=</p> <p>The RBI will streamline its licensing process for payment aggregators by merging requirements for online and offline entities.</p>
12	RBI recognises FACE as self-regulatory organisation in FinTech sector	<p>https://legal.economictimes.indiatimes.com/news/regulators/rbi-recognises-face-as-self-regulatory-organisation-in-fintech-sector/112871983?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etlegal_news_2024-08-29&dt=2024-08-29&em=aGFzdGl2b3JhQG1tamMuaW4=</p> <p>The RBI has designated Fintech Association for consumer empowerment (FACE) as a self-regulatory organisation in the fintech sector.</p>
13	SEBI issues advisory to caution investors against misleading practices in SME securities	<p>https://legal.economictimes.indiatimes.com/news/regulators/sebi-issues-advisory-to-caution-investors-against-misleading-practices-in-sme-securities/112871788?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etlegal_news_2024-08-29&dt=2024-08-29&em=aGFzdGl2b3JhQG1tamMuaW4=</p>

		<p>m_campaign=etlegal_news_2024-08-29&dt=2024-08-29&em=aGFzdGl2b3JhQG1tamMuaW4=</p> <p>The advisory comes amid growing concerns over the integrity of information and practices surrounding these companies.</p>
14	NFRA and ICSI at odds over plan to sync audits with global norms	<p>https://cfo.economictimes.indiatimes.com/news/tax-legal-accounting/nfra-and-icai-at-odds-over-plan-to-sync-audits-with-global-norms/112883059?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-08-29&dt=2024-08-29&em=aGFzdGl2b3JhQG1tamMuaW4=</p> <p>ICAI fears the changes could concentrate audit works among large firms ,impacting smaller practitioners.</p>
	AMENDMENTS / CIRCULARS /CONSULTATION PAPERS	
1	Consultation Paper	<p>https://www.sebi.gov.in/reports-and-statistics/reports/aug-2024/consultation-paper-on-clarification-on-the-term-pecuniary-relationship-of-debenture-trustee-dt-with-the-issuer-as-per-regulation-13a-of-the-dt-regulations_85989.html</p> <p>CP on the term “pecuniary relationship” of Debenture Trustee (DT) with the issuer as per Regulation 13A of the DT Regulations</p> <p>This CP is open for public comments latest by September 11,2024.</p>
2	Consultation Paper	<p>https://www.sebi.gov.in/reports-and-statistics/reports/aug-2024/consultation-paper-on-ease-of-doing-business-by-substituting-the-requirement-of-attestation-of-certain-documents-by-a-notary-public-gazetted-officer_86032.html</p> <p>CP on Ease of Doing Business by Substituting the Requirement of Attestation of certain Documents by a Notary Public/Gazetted Officer</p> <p>This CP is open for comment latest by September 6,2024.</p>
3	Consultation Paper	<p>https://www.sebi.gov.in/reports-and-statistics/reports/aug-2024/consultation-paper-on-provisions-pertaining-to-appointment-of-public-interest-directors-_86313.html</p> <p>CP on “Provisions pertaining to appointment of Public Interest Directors”</p>

		CP is open for public comment latest by September 12,2024.
4	Consultation Paper	<p>https://www.sebi.gov.in/reports-and-statistics/reports/aug-2024/consultation-paper-on-maintenance-of-record-of-mandatory-communication-by-regulated-entities_86309.html</p> <p>CP on Maintenance of Record of Mandatory Communication by Regulated Entities</p> <p>CP is open for comments latest by September 13,2024.</p>
5	Consultation Paper	<p>https://www.sebi.gov.in/reports-and-statistics/reports/aug-2024/consultation-paper-on-review-of-the-securities-and-exchange-board-of-india-informal-guidance-scheme-2003_86350.html</p> <p>CP on review of SEBI(Informal Guidance) scheme 2003</p> <p>CP is open for comments latest by September 15,2024.</p>
6	SEBI amendment	<p>https://www.sebi.gov.in/legal/regulations/aug-2024/securities-contracts-regulation-stock-exchanges-and-clearing-corporations-fourth-amendment-regulations-2024_86335.html</p> <p>SEBI notifies that no intermediary, stock exchange, clearing corporation, depository participant shall associate itself with unregulated entities in market who inter-alia provide advise relating to securities.</p>

