

THE MARKET CHRONICLE

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NEWS

CATALYST

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CIRCULAR AND AMENDMENT ISSUED BY THE MARKET REGULATORS:

SEBI has amendments to the SEBI (LODR) regulations- Reg 52 (8) & NCS regulations- Schedule I; proviso to 3.3. 10 (a) [attached for ready reference] Dated on 08th July, 2024:

SEBI (LODR) regulations- Reg 52 (8): after the proviso, the following shall be inserted, namely,

“Provided further that listed entities may publish only a window advertisement in the newspapers that refers to a Quick Response Code and the link of the website of the listed entity and stock exchange(s), where such financial results are available and capable of being accessed by the investors subject to the following conditions”.

For non-convertible securities outstanding as on the date of notification of this proviso the listed entity has obtained the prior approval from the debenture trustee;

In case of any issuances after the date of notification of this proviso, the listed entity shall either make a disclosure in the offer document regarding the window advertisement in the newspapers or obtain prior approval from the debenture trustee.

For : https://www.sebi.gov.in/legal/regulations/jul-2024/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-second-amendment-regulations-2024_84773.html

SEBI has amendments to NCS regulations - Schedule I; proviso to 3.3.10 (a) dated 08th July, 2024.

Provided that, issuers whose non-convertible securities are listed as on the date of filing of the offer document or placement memorandum, may provide only a web-link and a static quick response code of THE GAZETTE OF INDIA: EXTRAORDINARY [PART III- SEC4] the audited financial statements in the offer document or placement memorandum subject to the following conditions.

- Such listed issuers shall disclose a comparative key operational and financial parameter on a standalone and consolidated basis, certified by the statutory auditor(s) who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India, for the last three completed years in the offer document.
- The scanning of such static quick response code or clicking on the web-link, shall display the audited financial statements for last three financial years of such issuer on the website of the stock exchange where such data is hosted

Learn more: https://www.sebi.gov.in/legal/regulations/jul-2024/securities-and-exchange-board-of-india-issue-and-listing-of-non-convertible-securities-amendment-regulations-2024_84775.html

SEBI Consultation paper issued on July 9, 2024.

Outlining the proposal of amendment to the Master Circular of InvITs and REITs dated May 15, 2024.

Draft circular of amendment to Master Circular for InvITs and REITs dated May 15, 2024, is specified in Annexure - A and Annexure - B respectively of the enclosed Consultation paper.

The comments/ suggestions should be submitted by latest by July 29, 2024, in the manner as mentioned hereunder. .

For more details, please refer the attached link.

Learn more: https://www.sebi.gov.in/reports-and-statistics/reports/jul-2024/consultation-on-draft-circulars-amendment-to-master-circulars-for-invits-and-reits-dated-may-15-2024_84665.html

SEBI (Infrastructure Investment Trusts) (Second Amendment) Regulations, 2024, dated July 13, 2024. (Applicability - Date of publication in the Official Gazette)

Securities and Exchange Board of India (Infrastructure Investment Trusts) (Second Amendment) Regulations, 2024, dated July 13, 2024. (Applicability - Date of publication in the Official Gazette)

1. Under Regulation 2, new definition clause of 'employee unit option scheme' and 'liquid asset' shall be inserted
2. Under Regulation 10, Sub Regulation 28 pertaining to offer unit-based employee benefit scheme for its employees based on the units of the InvIT shall be inserted.
3. New Chapter IV B for Framework For Unit Based Employee Benefit Scheme shall be inserted for compliances related to employee benefit scheme
4. Under Regulation 22, new sub clauses related to employee benefit scheme shall be inserted
5. New Schedule IX pertaining to following are to be added:
 - Minimum Provisions in Trust Deed
 - Terms and Conditions of schemes to be formulated by the Nomination and remuneration committee
 - Contents of the explanatory statement to the notice and resolution for unitholders Meeting
 - Information required in the statement to be filed with recognised Stock Exchange(s)
 - Format of notification for issue of units
 - Disclosures in the annual report of the InvIT
 - Disclosure Document

For more details, please refer to the enclosed regulations Link.

Learn more: https://www.sebi.gov.in/legal/regulations/jul-2024/securities-and-exchange-board-of-india-infrastructure-investment-trusts-second-amendment-regulations-2024_84771.html

CRAs to undertake rating activities under IFSCA - July 19, 2024.

SEBI has issued the attached circular on July 19, 2024, pertaining to enable the Credit Rating Agencies (CRAs) to undertake rating activities under International Financial Services Centres Authority (IFSCA) (Applicability - Immediate Effect).

In this regards, (IFSCA) is hereby added to the list of financial sector regulators/ authorities as specified in Annexure 19 of Master Circular of CRAs dated May 16, 2024.

For more details, please refer the attached SEBI notification regulation Link

Learn more: https://www.sebi.gov.in/legal/circulars/jul-2024/enabling-credit-rating-agencies-cras-to-undertake-rating-activities-under-ifsca_84849.html

RBI has issues a Circular on Remittances to International Financial Services Centers(IFSCs) under the Liberalised Remittance Scheme (LRS).

RBI vide circular dated July 10, 2024 has issued a circular on Remittances to International Financial Services Centers (IFSCs) under the Liberalised Remittance Scheme (LRS):

At present, remittances under LRS to IFSCs can be made only for:

- Making investments in IFSCs in securities except those issued by entities/ companies resident in India (outside IFSC).
- Payment of fees for education to foreign universities or foreign institutions in IFSCs for pursuing courses mentioned in the gazette notification no. SO 2374(E) dated May 23,2022, issued by the Central Government.

For these permissible purposes, resident individuals can open Foreign Currency Account (FCA) in IFSCs.

On a review, it has been decided that Authorized Persons may facilitate remittances for all permissible purposes under LRS to IFSCs for:

- TAvaling financial services or financial products as per the International Financial Services Centres Authority Act 2019 within IFCs, and
- All current or capital account transactions, in any other foreign jurisdiction (other than IFSCs) through an FCA held in IFSCs.

For these permissible purposes, resident individuals can open Foreign Currency Account (FCA) in IFSCs.

For more details, please refer the attached SEBI circular Link

Learn more: https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?id=12699

Knowledge sharing!

Union Budget Presented on July 23, 2024 by Finance Minister of India Nirmala Sitharaman, in her seventh consecutive Union Budget for 2024-25.

Highlights of the 2024 Union Budget: In her seventh consecutive budget, Finance Minister Nirmala Sitharaman outlined the government's top priorities. The productivity and resilience of agriculture, employment and skilling, inclusive human resource development and social justice, manufacturing and services, urban development, energy security, infrastructure, innovation, research and development, and next-generation reforms are the nine priority areas she listed for the government.

The Key Announcements of the July 2024 Union Budget are as follows:

1. Taxation and Regulatory Framework:

- Reduction in corporate tax for foreign companies from 40% to 35%.
- Abolishment of the Angel Tax under Section 56 (2)(viib)
- Increase in the deduction limit for employer contributions to the pension scheme from 10% to 14% of the salary.

2. Indirect Tax Proposals:

- Reductions and exemptions in customs duties on essential goods such as mobile phones, gold and solar panel manufacturing capital goods.
- Basic Customs duty on several cancer drugs reduced to zero.
- Implantation of major GST reforms to simplify tax administration and compliance.

3. Securities Transactions Tax (STT):

- Increase in STT on futures from 0.0125% to 0.02% and an options from 0.0625% to 0.1%.

4. Economic Outlook:

- Emphasis on boosting infrastructure and urban development.
- Enhanced focus on innovation, research, and next-generation reforms to drive economic growth.

5. Social and Employment Initiatives:

- New schemes aimed at job creation and inclusive development.
- Investments in urban development and energy sectors to support sustainable growth.

This fiscal plan, which concludes the Union Budget for July 2024, represents a critical step toward realizing our vision of sustainable growth, digital transformation, social equity. While laying the groundwork for long-term prosperity, the budget's provisions and reforms are intended to address our pressing issues.

Our goals are to raise economic stability and raise everyone's standard of living, with a particular emphasis on important areas, such as infrastructure development, healthcare, and education. In addition to meeting present demands, our approach entails getting ready for potential future possibilities and challenges.

All sectors—government, business, and the general public—must work together to successfully implement this budget. Together, we can make sure that the projects announced have a significant and successful outcome.

HIGHLIGHTS OF THE MONTH:

Security Trustee deals:

Sectors	No. of Transaction	Facility Amount (Cr.)
Infrastructure Sector	6	10820
Renewable Sector	13	19724
NBFC	14	3757
Others	5	3100
Real Estate	2	465
Grand Total	40	37866

Debenture Trustee deals:

Sector	No. of Transaction	Facility Amount (Cr.)
Manufacturing	2	50
NBFC	32	3,724
Real Estate & Infra	11	12,167.50
Housing Finance	3	17,250
Bank & Financial Service	2	10,051
Other	32	15,291
Grand Total	82	58,533.50

Securitization deals:

Asset Class	No. of Deals	Pool Size (Cr.)
Micro Finance Loan Receivables	14	1,294.57
Car Loan	1	100
Commercial Vehicle Loan Receivables	6	2,208
Housing Loan	4	3,033
Loan Against Property	9	1,147
Personal Loan	12	1,296
Education Loan	1	12
Agri	6	792
Unsecured Business Loan	6	389
Grand Total	59	10,271.57

AIF:

Category	No. of Deals	Issue Size in Crores
AIF(Domestic)	6	4040
AIF (Gift City AIF)	1	40
ESOP/EBT/Private Trust	2	NA
Grand Total	9	4080

Thanks and Regards,
Editorial team of Catalist.

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