



# NEWSLETTER <sup>Weekly</sup>

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## SECURITIES AND EXCHANGE BOARD OF INDIA

### **1. Clarification with regard to usage of 3 – in – 1 type accounts for making an application in public issue of securities**

On October 18, 2024, the Securities and Exchange Board of India (SEBI) issued a circular clarifying the use of 3-in-1 accounts for submitting applications in public issues of debt securities, non-convertible redeemable preference shares, municipal debt securities, and securitised debt instruments. This clarification addresses feedback received on the need to explicitly specify the usage of these accounts, which combine online trading, demat, and banking facilities into one. According to the circular, investors can continue using 3-in-1 accounts for submitting bid-cum application forms online, in addition to other existing modes outlined in previous SEBI circulars, including the May 2024 Master Circular and the September 2024 update. This guidance aims to simplify and enhance the application process for public issues. SEBI issued this clarification under its regulatory powers to protect investors and regulate the securities market. The full circular is available on SEBI's official website

For more information, you can access the SEBI circular here: [https://www.sebi.gov.in/legal/circulars/oct-2024/clarification-with-regard-to-usage-of-3-in-1-type-accounts-for-making-an-application-in-public-issue-of-securities\\_87747.html](https://www.sebi.gov.in/legal/circulars/oct-2024/clarification-with-regard-to-usage-of-3-in-1-type-accounts-for-making-an-application-in-public-issue-of-securities_87747.html)

### **2. Introduction of Liquidity Window facility for investors in debt securities through Stock Exchange mechanism**

Securities and Exchange Board of India (SEBI) has introduced a Liquidity Window facility for debt securities through its latest circular, effective November 1, 2024. This facility aims to enhance liquidity in the corporate bond market, which is often perceived as illiquid due to institutional investors holding bonds until maturity. The facility allows issuers to offer put options on pre-specified dates, giving investors—especially retail investors—greater flexibility. Issuers may opt to provide this facility at their discretion and must ensure it is objective and transparent. Debt securities eligible for this facility will only be considered after one year from issuance, and issuers must specify a percentage of the issue size that will be available under the Liquidity Window. SEBI mandates that the facility be offered in a non-discriminatory manner, with transparency in pricing and valuations, and that any securities tendered be managed either through sale or extinguishment. The new framework is intended to increase investor participation in the debt securities market while adhering to SEBI regulations.

For more information, you can access the SEBI circular here: [https://www.sebi.gov.in/legal/circulars/oct-2024/introduction-of-liquidity-window-facility-for-investors-in-debt-securities-through-stock-exchange-mechanism\\_87674.html](https://www.sebi.gov.in/legal/circulars/oct-2024/introduction-of-liquidity-window-facility-for-investors-in-debt-securities-through-stock-exchange-mechanism_87674.html)

### **3. Monitoring of position limits for equity derivative segment**

The Securities and Exchange Board of India (SEBI) has revised position limits for Trading Members (TMs) in the equity derivatives segment. The new limits for index futures and options contracts are now set at the higher of INR 7,500 crore or 15% of total open interest (OI) in the market. These limits apply separately to futures and options positions in a specific underlying index. SEBI clarified that positions will be monitored based on the total OI from the previous trading day's market, and participants will not be penalized for

passive breaches if market OI decreases without a change in their positions. The updated position limits take effect immediately, while the monitoring provisions will be implemented from April 1, 2025. Stock Exchanges and Clearing Corporations have been advised to amend relevant rules and inform market participants accordingly.

For more information, you can access the SEBI circular here: [https://www.sebi.gov.in/legal/circulars/oct-2024/monitoring-of-position-limits-for-equity-derivative-segment\\_87567.html](https://www.sebi.gov.in/legal/circulars/oct-2024/monitoring-of-position-limits-for-equity-derivative-segment_87567.html)

#### **4. Monitoring Shareholding of Market Infrastructure Institutions (MIIs)**

The Securities and Exchange Board of India (SEBI) has introduced a framework for monitoring and ensuring compliance with shareholding norms for both listed and unlisted Market Infrastructure Institutions (MIIs), which include stock exchanges, clearing corporations, and depositories. This framework ensures adherence to the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations, 2018, and SEBI (Depositories and Participants) Regulations, 2018. Key aspects include appointing a designated depository (DD) to monitor shareholding limits and ensuring minimum public shareholding and fit & proper criteria for shareholders. MIIs must disclose their shareholding patterns quarterly, with listed MIIs additionally publishing this information on the respective stock exchanges. The DD monitors compliance with thresholds such as 5%, 15%, and 49% shareholding limits and notifies MIIs and relevant exchanges of any breaches. The circular also requires that trading members' shareholding in stock exchanges does not exceed 49%, and provides specific protocols for freezing voting rights and corporate benefits in case of non-compliance. This framework aims to enhance transparency and accountability in MIIs' governance.

For more information, you can access the SEBI circular here: <https://www.sebi.gov.in/legal/circulars/oct-2024/monitoring-shareholding-of-market-infrastructure-institutions-miis-87535.html>

#### **5. Corrigendum to Circular on Ease of Doing Business in the context of Standard Operating Procedure for payment of “Financial Disincentives” by Market Infrastructure Institutions (MIIs) as a result of Technical Glitch**

SEBI issued a corrigendum on October 14, 2024, clarifying references to its September 20, 2024, circular regarding the payment of financial disincentives by Market Infrastructure Institutions (MIIs) due to technical glitches. The original circular applied to MIIs, including Commodity Derivatives Exchanges and Clearing Corporations, but lacked explicit references to SEBI's Master Circular for the Commodity Derivatives Segment dated August 04, 2023. This corrigendum provides specific references from the Master Circular, ensuring better alignment with the September circular. SEBI has added several cross-references, including paragraphs from the Master Circular and Annexure-ZF, which outline the procedures and responsibilities of MIIs in case of technical failures. MIIs are required to carry out internal examinations to determine accountability and record these incidents in performance appraisals. SEBI also retains the right to take enforcement action against individuals responsible for such technical glitches. This circular aims to ensure clarity and enhance procedural transparency in handling financial disincentives linked to technical failures, promoting regulatory oversight and safeguarding investor interests.

For more information, you can access the SEBI circular here: <https://www.sebi.gov.in/legal/circulars/oct-2024/corrigendum-to-circular-on-ease-of-doing-business-in-the-context-of-standard-operating-procedure-for-payment-of-financial-disincentives-by-market-infrastructure-institutions-miis-as-a-result-of-te-87534.html>

### **MINISTRY OF FINANCE**

#### **1. HAL's Maharatna Status: India's Growth Towards Aerospace Industry.**

A shining example of commitment is Hindustan Aeronautics Limited (HAL), which has attained the prestigious Maharatna status, becoming the 14th Central Public Sector Enterprises (CPSE) in India to receive this recognition. This milestone marks a significant achievement for HAL, which is a prominent player in the Indian aerospace and defence sector. The upgradation is approved by the Finance Minister, following

recommendations from both the Inter-Ministerial Committee (IMC), led by the Finance Secretary, and the Apex Committee, headed by the Cabinet Secretary.

For more information, you can access the press release here:

<https://pib.gov.in/PressNoteDetails.aspx?NoteId=153278&ModuleId=3&reg=3&lang=1>

### **COMPETITION COMMISSION OF INDIA**

#### **1. CCI approves the proposed acquisition of 24.91% shareholding in Future Generali India Insurance and 25.18% shareholding in Future Generali India Life Insurance by Central Bank of India.**

The proposed combination envisages acquisition by Central Bank of India of 24.91% equity stake in Future Generali India Insurance Company Limited (FGIICL) and 25.18% equity stake in Future Generali India Life Insurance Company Limited (FGILICL) through bid/resolution plan submitted by Central bank of India under Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. Central Bank of India is a scheduled commercial bank. FGIICL is a general insurance company. It provides personal insurance, commercial insurance, social & rural insurance etc. FGILICL is a life insurance company. It provides savings insurance, investment plans (ULIP), term insurance plans, health insurance plans, child plans, retirement plans, rural insurance plans and group insurance plans.

For more information, you can access the press release here:

<https://www.cci.gov.in/media-gallery/press-release/details/443/0>

### **RESERVE BANK OF INDIA**

#### **1. Designation of one organisation under Section 35(1) (a) and 2(1) (m) of the Unlawful Activities (Prevention) Act, 1967 and its listing in the First Schedule of the Act- Reg.**

The recent Gazette notification dated October 10, 2024, from the Ministry of Home Affairs (MHA) declares "Hizb-Ut-Tahrir (HuT)" and all its manifestations as a terrorist organization, listing it under Schedule I of the Unlawful Activities (Prevention) Act (UAPA), 1967. This designation aligns with Section 35(1)(a) and 2(1)(m) of the UAPA, requiring immediate compliance from Regulated Entities (REs). In accordance with Section 51 of the Master Direction on Know Your Customer (KYC), REs must report any accounts resembling individuals or entities on the list to the Financial Intelligence Unit - India (FIU-IND) and notify the Ministry of Home Affairs as specified in the UAPA notification. Compliance with this notification is critical, as it also extends to any future amendments to the UAPA schedules.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12743&Mode=0>

#### **2. Reserve Bank of India (Access Criteria for NDS-OM) Directions, 2024**

The Reserve Bank of India (RBI) has issued new Directions regarding access criteria for the Negotiated Dealing System-Order Matching (NDS-OM) platform, expanding direct access to a wider range of regulated entities. This update streamlines the process for obtaining direct access, aligning it with the existing Master Directions on Access Criteria for Payment Systems. The previous circulars from 2008 and 2011 are now withdrawn, with all previously granted accesses being considered under the new Directions. These changes are effective immediately and are enacted under the powers conferred by the Reserve Bank of India Act, 1934.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12742&Mode=0>

#### **3. Launching of Quarterly Industrial Outlook Survey (IOS): October-December 2024 Round 108**

The Reserve Bank has launched the 108th round of the quarterly Industrial Outlook Survey (IOS) of the Indian manufacturing sector for the reference period October-December 2024. The survey assesses business sentiment for the current quarter (Q3:2024-25) and expectations for the ensuing quarter (Q4:2024-25), based

on qualitative responses on a set of indicators pertaining to demand conditions, financial conditions, employment conditions and the price situation. The outlook on key parameters for the two subsequent quarters (Q1:2025-26 and Q2:2025-26) are also covered. M/s Genesis Management & Market Research Pvt. Ltd. has been authorised to conduct the survey for October-December 2024 on behalf of the Reserve Bank. While the agency will approach selected companies, other manufacturing companies are also encouraged to participate in the survey by downloading the survey questionnaire from the Bank’s website, which is placed under the head ‘Forms’ (see ‘More Links’ at the bottom of the RBI Homepage) and the sub-head ‘Survey’.

For more information, you can access the press release here:  
[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=58894](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=58894)

**4. Premature redemption under Sovereign Gold Bond (SGB) Scheme – Redemption Price for premature redemption due on October 16, 2024 (Series III of SGB 2017-18)**

In terms of GOI Notification F. No. 4(25) – W&M/2017 dated October 06, 2017 (SGB 2017-18 Series III - Issue date October 16, 2017) on Sovereign Gold Bond Scheme, premature redemption of Gold Bond may be permitted after fifth year from the date of issue of such Gold Bond on the date on which interest is payable. Accordingly, the due date of premature redemption of the above tranche shall be October 16, 2024. Further, the redemption price of SGB shall be based on the simple average of closing gold price of 999 purity of previous three business days from the date of redemption, as published by the India Bullion and Jewellers Association Ltd (IBJA). Accordingly, the redemption price for premature redemption due on October 16, 2024, shall be ₹7,585/- (Rupees Seven Thousand Five Hundred and Eighty-Five only) per unit of SGB based on the simple average of closing gold price for the three business days i.e., October 11, October 14 and October 15, 2024.

For more information, you can access the press release here:  
[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=58897](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=58897)

**5. Survey on Computer Software and Information Technology Enabled Services Exports: 2023-24**

The Reserve Bank of India (RBI) has released data from its annual survey on computer software and IT-enabled services (ITES) exports for the 2023-24 fiscal year. The survey, which contacted 7,226 software export companies, received responses from 2,266 firms, accounting for nearly 89% of total software services exports. Notably, India's software services exports rose by 2.8% to reach USD 190.7 billion, with computer services comprising over two-thirds of this total. The United States remained the largest market, capturing 54% of exports, while off-site services accounted for 90% of total exports. Overall, including services from foreign affiliates, total software service exports increased to USD 205.2 billion.

For more information, you can access the press release here:  
[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=58937](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=58937)

**MAHARASHTRA STAMP ACT- CHANGES BY ORDINANCE DATED 14.10.2024**

1. Minimum stamp duty now is Rs 500.
2. Stamp Duty increased on: Articles of Association, Arbitral Award, Partnership Deed and Works Contract.

**Change Details:**

Article	Description of Instrument	Stamp Duty before 14.10.2024	Stamp Duty from 14.10.2024
4	Affidavit	Rs 100	Rs 500
5 (h)(B)	Agreement (If not otherwise provided for)	Rs 100	Rs 500
8	Appraisalment or Valuation	Rs 100	Rs 500
9	Apprenticeship Deed	Rs 100	Rs 500
10	Articles of Association	0.2% Max Rs 50 lacs	0.3% Max Rs 1 crore

12	Award (a) relating to immovable property	Rs 500	Same as conveyance under article 25 (b)
	Award (b) relating to movable property up to Rs 50 lacs	Rs 500	0.75%
	Award (b) relating to movable property above Rs. 50 lacs up to Rs 5 crores		Rs 37,500+ 0.5% on the amount above Rs 50 lacs
	Award (b) relating to movable property Above Rs 5 crores		Rs 2,62,500+ 0.25% on the amount above Rs 5 crores
27	Counterpart or Duplicate	Max Rs 100	Max Rs 500
30	Divorce	Rs 100	Rs 500
38	Letter of License	Rs 100	Rs 500
44	Note of Protest by the Ship Master	Rs 100	Rs 500
47(1)(b)	Partnership: (b) where such share contribution brought in by way of cash is in excess of rupees 50,000	Max Rs 15,000	Max Rs 50,000
49	Protest of Bill or Note	Rs 100	Rs 500
50	Protest by Master of Ship	Rs 100	Rs 500
52 (a)	Release- Ancestral Property	Rs 200	Rs 500
58 (a)	Surrender of Lease- Without any consideration	Rs 200	Rs 500
63	Works Contract		
	(a) Up to Rs 5 lacs	Rs 500	Rs 500
	(a) Above Rs 5 lacs up to Rs 10 lacs	Rs 500	Rs 500+ 0.3% on the amount above Rs 5 lacs
	(b) Above Rs 10 lacs	Rs 500+ 0.1% Max Rs 25 lacs	Rs 1,000+ on the amount above Rs 10 lacs

For more information, you can access the press release here:  
<https://egazette.mahaonline.gov.in/Forms/GazetteSearch.aspx>

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