



# NEWSLETTER <sup>Weekly</sup>

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## SECURITIES AND EXCHANGE BOARD OF INDIA

### **1. Business Continuity for Interoperable Segments of Stock Exchanges**

SEBI has issued a circular outlining a comprehensive Business Continuity Plan (BCP) for Stock Exchanges and Clearing Corporations to address trading outages. The circular builds upon previous guidelines set in 2023 and introduces a phased approach to improve risk management systems. In the event of a trading venue outage, participants can hedge their positions using interoperable exchanges, minimizing exposure to price risks. Stock exchanges are required to create reserve contracts for scrips exclusively listed on one exchange and, if necessary, introduce index derivatives for uncorrelated products. The affected exchange must notify SEBI and the alternative trading venue within 75 minutes of an outage, and the alternative venue will implement a continuity plan within 15 minutes. The National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) will serve as alternative venues for each other, drafting a joint Standard Operating Procedure (SOP) for smooth operations. This circular mandates infrastructure development by exchanges and will take effect from April 1, 2025, ensuring that market participants can mitigate risks in case of technical disruptions.

For more information, you can access the SEBI circular here:

[https://www.sebi.gov.in/legal/circulars/nov-2024/business-continuity-for-interoperable-segments-of-stock-exchanges\\_89032.html](https://www.sebi.gov.in/legal/circulars/nov-2024/business-continuity-for-interoperable-segments-of-stock-exchanges_89032.html)

### **2. Valuation of repurchase (repo) transactions by Mutual Funds.**

SEBI's circular dated November 26, 2024, revises the valuation methodology for repurchase (repo) transactions in Mutual Funds. The new guidelines, effective January 1, 2025, mandate that repo transactions, including tri-party repos (TREPS), with a tenor of up to 30 days, be valued on a mark-to-market basis, aligning with the valuation of other money market and debt securities. This revision addresses concerns of regulatory arbitrage due to differing valuation methods across these transactions. Previously, such repos were valued on a cost-plus accrual basis, but now, in order to standardize the valuation process, all such transactions will follow the same mark-to-market methodology. Additionally, the circular clarifies that for all repo transactions, except overnight repos, valuation must be obtained from AMFI empanelled valuation agencies. The modification also applies to the valuation of new securities, where prices may be based on purchase yield if security-level prices are not available. This change aims to enhance consistency and transparency in the valuation of money market and debt instruments within Mutual Funds.

For more information, you can access the SEBI circular here:

<https://www.sebi.gov.in/legal/circulars/nov-2024/valuation-of-repurchase-repo-transactions-by-mutual-funds-88796.html>

## MINISTRY OF FINANCE

### **1. Union Health Minister Shri Jagat Prakash Nadda inaugurates World AIDS Day 2024 event in the presence of Dr. Mohan Yadav, Chief Minister of Madhya Pradesh in Indore, Madhya Pradesh.**

Union Health Minister Shri Jagat Prakash Nadda inaugurated the World AIDS Day 2024 event at Devi Ahilya Vishwavidyalaya in Indore, Madhya Pradesh, with Chief Minister Dr. Mohan Yadav present as the guest of honour. The event emphasized the theme "Take the Rights Path," advocating awareness, rights-

based treatment approaches, and combating discrimination against those living with HIV/AIDS. Highlights included exhibitions, the launch of a theme song, and inspirational beneficiary stories. Key reports, such as "India HIV Estimates 2023," were also released during the event.

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

<https://pib.gov.in/PressReleasePage.aspx?PRID=2079530>

## **2. Cabinet approves the PAN 2.0 Project: a digital leap in the Taxpayer system.**

The Indian Cabinet has approved the PAN 2.0 Project, a transformative initiative aimed at modernizing the taxpayer registration system and integrating PAN (Permanent Account Number) into India's digital ecosystem. This project, with a financial outlay of ₹1,435 crore, is designed to re-engineer existing PAN/TAN services, consolidating them into a single, unified platform for improved user experience and efficiency.

Key Features of PAN 2.0:

- **Unified Portal:** A single online platform will handle all PAN/TAN-related services, such as applications, updates, corrections, Aadhaar linking, and validation.
- **Eco-Friendly Processes:** It promotes paperless operations, enhancing sustainability.
- **Enhanced Security:** Includes advanced measures like a PAN Data Vault to secure personal and demographic data.
- **Faster Service Delivery:** Quick processing and free e-PAN issuance.
- **Expanded Use:** PAN will serve as a universal identifier across digital systems of specific government agencies.

Benefits:

- Streamlined processes for taxpayers with faster grievance resolution and improved data consistency.
- Free upgrades to existing PAN holders with added features like QR codes for enhanced usability.
- Support for the Digital India initiative, emphasizing technology-driven governance and financial transparency

The PAN 2.0 Project represents a major advancement in the modernization of India's tax system through improved accessibility, security, and digital procedures. It offers a more simplified and effective experience for taxpayers by switching to a Direct Delivery Model and using international best practices, which is in keeping with the government's vision of a digital India. This program promotes improved tax compliance and governance by streamlining services while guaranteeing data security and transparency.

For more information, you can access the GOI press releases here:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2077107>

<https://pib.gov.in/PressReleasePage.aspx?PRID=2077922>

## **3. Investment Division, Department of Economic Affairs organises one-day Training Programme on 'International Investment Law and Dispute Resolution'.**

The Investment Division of the Department of Economic Affairs (DEA) recently hosted a one-day training program on "International Investment Law and Dispute Resolution" in New Delhi. The event aimed to educate stakeholders from various ministries and departments on critical aspects of international investment law.

Key topics included Bilateral Investment Treaties (BITs), standards of treatment, investor-state obligations, dispute resolution mechanisms, and legitimacy challenges. Practical strategies for managing and preventing investment disputes were also discussed. Experts like Ms. Preeti Jain (Director, DEA), Mr. Shravan Yammanur, Dr. Argha Kumar, and others led the sessions, with active participation from officials across departments like Economic Affairs, Commerce, Revenue, and others.

The training emphasized concepts such as National Treatment (NT), Most-Favored-Nation (MFN) standards, Fair and Equitable Treatment (FET), and the challenges of Investor-State Dispute Settlement (ISDS) mechanisms. Participants engaged deeply, contributing with questions about India's BITs and strategies for effective dispute resolution

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

<https://pib.gov.in/PressReleasePage.aspx?PRID=2078769>

#### **4. Central Board of Indirect Taxes and Customs organises global India Authorised Economic Operator (AEO) programme in association with World Bank in New Delhi.**

The Central Board of Indirect Taxes and Customs (CBIC) hosted a two-day global India Authorized Economic Operator (AEO) programme in collaboration with the World Bank on November 28-29, 2024, in New Delhi. The event attracted representatives from 18 countries, trade associations, private sector stakeholders, and international organizations.

##### **Key Highlights:**

##### **i. Expansion and Cooperation:**

- Revenue Secretary Sanjay Malhotra emphasized expanding Mutual Recognition Agreements (MRAs) to include more bilateral and regional partners, aiming to boost trust and technological integration in global trade.

##### **ii. Participation and Discussions:**

- The event featured panels on India's AEO journey, benefits to MSMEs, risk management, and supply chain resilience. International representatives from countries like Russia, Australia, Thailand, Brazil, and Egypt participated.

##### **iii. Progress of AEO in India:**

- Since its launch in 2011 and enhancement in 2016, the programme has grown exponentially. As of October 2024, India has 5,947 AEO-certified entities operating under a multi-tier framework.
- India has signed MRAs with nations such as South Korea, the USA, and UAE, enabling mutual recognition of AEO-certified entities and easing trade.

##### **iv. India's Role and Vision:**

- CBIC Chairman Sanjay Kumar Agarwal highlighted India's improvements in the World Bank Logistics Performance Index and the AEO programme's central role in facilitating secure and efficient trade. The programme reflects India's global ethos of "Vasudhaiva Kutumbakam" (the world is one family).

##### **v. New Collaborations:**

- During the conference, India signed a joint action plan with Brazil to develop an MRA, reinforcing trade relations and shared logistics standards.

This event underlines India's commitment to strengthening global trade networks, enhancing supply chain security, and fostering international cooperation through innovative trade facilitation measures.

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

<https://pib.gov.in/PressReleasePage.aspx?PRID=2079189>

**5. Union Minister for Finance, Smt. Nirmala Sitharaman chairs meeting to review the performance of eight Regional Rural Banks (RRBs) in Eastern Region covering four states of Bihar, Jharkhand, Odisha and West Bengal, in Patna.**

Union Finance Minister Nirmala Sitharaman recently chaired a key meeting in Patna to review the performance of eight Regional Rural Banks (RRBs) across Bihar, Jharkhand, Odisha, and West Bengal. This review focused on improving rural banking and fostering financial inclusion in eastern India.

Key discussions during the meeting included assessing non-performing assets (NPAs), enhancing credit disbursement for rural development, and upgrading the digital capabilities of RRBs to ensure better accessibility in remote areas. The Minister highlighted the importance of tailored financial products for sectors like MSMEs, agriculture, and rural enterprises to align with initiatives such as 'Atmanirbhar Bharat'. She also emphasized strategies like co-lending and partnerships to bolster RRB efficiency.

The meeting was part of a broader effort to ensure RRBs play a pivotal role in rural development. Sitharaman praised technological upgrades and governance improvements in these banks since regular reviews began in 2022. Following this session, the Finance Minister will oversee a major entrepreneurship promotion event in Darbhanga, with 26 banks set to disburse loans totalling ₹1,300 crore, targeting small enterprises and agricultural industries.

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

<https://pib.gov.in/PressReleasePage.aspx?PRID=2079149>

**6. CBDT extends due date for filing return of income in the case of an assessee with requirement to furnish report referred to in section 92E, for AY 2024-25.**

The Central Board of Direct Taxes (CBDT) has extended the due date for filing income tax returns for taxpayers required to furnish a report under Section 92E of the Income-tax Act, 1961, for Assessment Year (AY) 2024-25. Originally set for November 30, 2024, the deadline has been extended to December 15, 2024. This adjustment is intended to provide additional time for compliance with transfer pricing regulations and related reporting requirements.

Section 92E mandates the submission of a transfer pricing report by taxpayers involved in international or specified domestic transactions exceeding a prescribed threshold. This extension aligns with CBDT's efforts to accommodate taxpayers facing challenges in completing the requisite documentation and filings.

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

<https://pib.gov.in/PressReleasePage.aspx?PRID=2079578>

**MINISTRY OF CORPORATE AFFAIRS**

**1. NFRA finalises and recommends Auditing Standards to the Central Government for notifying under Section 34A of LLP (Amendment) Act 2021.**

The National Financial Reporting Authority (NFRA) has finalized and recommended 40 Standards on Auditing (SAs) and related Standards on Quality Management (SQMs) to the Central Government for notification under Section 34A of the LLP (Amendment) Act 2021. These standards, initially developed for auditing companies, are proposed to be applied to audits of Limited Liability Partnerships (LLPs) on a mutatis mutandis basis.

The decision was made during NFRA's 19th meeting on November 25, 2024, following the groundwork laid in their earlier meeting in mid-November. Most members, including representatives from the Comptroller and Auditor General (CAG), Reserve Bank of India (RBI), and independent experts, supported the recommendation. While the Institute of Chartered Accountants of India (ICAI) largely backed the proposal, they expressed reservations about specific standards like SA 299, SA 600, and SA 800 series.

These standards will be effective from April 1, 2026, once approved by the Central Government

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

<https://pib.gov.in/PressReleasePage.aspx?PRID=2077025>

## **RESERVE BANK OF INDIA**

### **1. Quarterly BSR-1: Outstanding Credit of Scheduled Commercial Banks – September 2024.**

The Reserve Bank of India has released its publication titled ‘Quarterly Basic Statistical Returns (BSR)-1: Outstanding Credit of Scheduled Commercial Banks (SCBs) - September 2024,’ detailing various aspects of bank credit. Year-on-year growth in bank credit moderated to 12.6% in September 2024, down from 15.3% in March 2024, with metropolitan branches experiencing an 11.6% growth. Notably, credit shares for agriculture, industry, housing, and personal loans were 11.5%, 23.7%, 16.5%, and 14.9%, respectively, with corresponding growth rates of 13.2%, 10.4%, 13.2%, and 17.5%. The private corporate sector saw credit growth surpass the overall rate at 16.5%. Additionally, loans to female borrowers increased to 23.6%, while public sector banks and private sector banks reported year-on-year growth rates of 13.0% and 11.9%, respectively.

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

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=59187](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59187)

### **2. Quarterly BSR-2: Deposits with Scheduled Commercial Banks - September 2024.**

The Reserve Bank of India has published ‘Deposits with Scheduled Commercial Banks – September 2024,’ providing detailed insights into deposit trends among scheduled commercial banks (excluding regional rural banks). Year-on-year growth in bank deposits stood at 11.7%, consistent with the previous quarter, with all population groups experiencing double-digit growth. Metropolitan branches contributed significantly, accounting for 66.5% of total incremental deposits. Individuals held 51.4% of total deposits, with female depositors representing nearly 40%. Notably, the share of term deposits with interest rates over 7% surged to 68.8%, reflecting a shift towards higher returns amid recent monetary policy tightening. Public sector banks reported a modest deposit growth of 9.0%, trailing behind other bank groups, while senior citizens' deposits increased to 20.1%.

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

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=59186](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59186)

### **3. Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption due on November 27, 2024 (Series IX of SGB 2017-18).**

In terms of GOI Notification F.No.4(25)–W&M/2017 dated October 06, 2017 (SGB 2017-18 Series IX - Issue date November 27, 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 next due date of premature redemption of the above tranche shall be November 27, 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 November 27, 2024, shall be ₹7,685/- (Rupees Seven Thousand Six 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., November 22, November 25, and November 26, 2024.

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

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=59188](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59188)

#### 4. Sectoral Deployment of Bank Credit – October 2024.

The Reserve Bank of India has reported on the sectoral deployment of bank credit for October 2024, indicating a year-on-year growth of 12.8% in non-food bank credit, down from 15.5% a year prior. Credit to agriculture and allied activities grew by 15.5%, slightly lower than the previous year's 17.4%. The industrial sector saw an increase in credit growth to 8.0%, up from 4.8% last year, with notable gains in the chemicals, petroleum, and engineering industries. The services sector experienced a decline in growth to 14.1%, influenced by reduced lending to non-banking financial companies (NBFCs) and trade, although commercial real estate credit accelerated. Personal loans grew by 15.8%, a decrease from 18.0% last year, primarily due to declines in vehicle loans and credit card outstanding, while housing loans—the largest segment—registered accelerated growth.

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

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=59209](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59209)

#### 5. Performance of Private Corporate Business Sector during Q2:2024-25 (Revised).

The Reserve Bank of India has released data on the performance of the private corporate sector for the second quarter of 2024-25, based on financial results from 2,911 listed non-government non-financial companies. Aggregate sales growth slowed to 5.4% year-on-year, down from 6.9% in the previous quarter, while other income surged by 23.8%. The manufacturing sector experienced a sales increase of 3.3%, hindered by contractions in petroleum, iron and steel, and cement industries. Manufacturing expenses growth decelerated, with staff and raw material costs rising by 9.3% and 5.1%, respectively. Operating profits grew by 3.5% overall but contracted by 0.3% in manufacturing; however, net profits rose significantly due to increased other income. The interest coverage ratio remained stable for manufacturing and non-IT services, while it improved for IT companies, indicating varied financial health across sectors.

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

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=59212](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59212)

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