



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
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**SUPPLEMENT
EXECUTIVE PROGRAMME
(NEW SYLLABUS)**

for

December, 2024 Examination
(Amendments covering December 01, 2023 to May 31, 2024)

Capital Market & Securities Laws

GROUP 2, PAPER 5

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Students appearing in Examination shall note the following:

Students appearing in December, 2024 Examination should also update themselves on all the relevant Notifications, Circulars, Clarifications, Orders etc. issued by MCA, SEBI, RBI & Central Government upto 31st May, 2024.

The students are advised to acquaint themselves with the monthly and Regulatory updates published by the Institute.

This supplement is to be read with the new study material updated up to November, 2023 which is also available on Academic Portal of the Institute's website.

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LESSON 2 SECONDARY MARKET IN INDIA

Introduction of Beta version of T+0 rolling settlement cycle on optional basis in addition to the existing T+1 settlement cycle in Equity Cash Markets (SEBI Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/20 dated March 21, 2024)

SEBI has issued a framework to introduce the beta version of the T+0 trade settlement cycle on an optional basis with effect from March 28, 2024. This will be in addition to the existing T+1 settlement cycle in the equity cash market. The beta version of T+0 settlement will be introduced for a limited set of 25 scrips and with a limited number of brokers. All investors are eligible to participate in the segment for T+0 settlement cycle, if they are able to meet the timelines, process and risk requirements as prescribed by the MIIs, during 09:15 AM to 1:30 PM continuous trading session. A shortened settlement cycle will bring cost and time efficiency, transparency in charges to investors and strengthen risk management at clearing corporations and the overall securities market ecosystem.

For details: https://www.sebi.gov.in/legal/circulars/mar-2024/introduction-of-beta-version-of-t-0-rolling-settlement-cycle-on-optional-basis-in-addition-to-the-existing-t-1-settlement-cycle-in-equity-cash-markets_82455.html

LESSON 4 SECURITIES AND EXCHANGE BOARD OF INDIA

SCORES 2.0 New Technology to strengthen SEBI Complaint Redressal System for Investors (PR No.06/2024 dated April 01, 2024)

In the continuous pursuit of protection of interests of investors in the securities market, SEBI has launched the new version of the SEBI Complaint Redress System (SCORES 2.0). The new version of SCORES strengthens the investor complaint redress mechanism in the securities market by making the process more efficient through auto-routing, auto-escalation, monitoring by the 'Designated Bodies and reduction of timelines. The new SCORES system has also been made more user friendly. SCORES is an online system where investors in securities market can lodge their complaints through web URL and an App. Investors can lodge complaints only through new version of SCORES i.e. <https://scores.sebi.gov.in> from April 01, 2024. In the old SCORES i.e. <https://scores.gov.in> investors would not be able to lodge any new complaint. However, Investors can check the status of their complaints already lodged in old SCORES and pending in the old SCORES. Further, the disposed of complaints filed in the old SCORES can be viewed at SCORES 2.0

For details: https://www.sebi.gov.in/media-and-notifications/press-releases/apr-2024/scores-2-0-new-technology-to-strengthen-sebi-complaint-redressal-system-for-investors_82618.html

LESSON 8 ISSUE OF CAPITAL & DISCLOSURE REQUIREMENTS

(1) SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2023 (Notification No. SEBI/LAD-NRO/GN/2023/162 dated December 21, 2023)

SEBI has notified the SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2023 on 21st December, 2023 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, the following amendments have been made in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018:

1. The words “Social Auditor” and “Social Audit Firm” is substituted with the words “Social Impact Assessor” and “Social Impact Assessment Firm” respectively. [Regulation 292A(f) and 292A(g)]
2. Social Stock Exchange shall be accessible to institutional investors, non-institutional investors and retail investors. [Regulation 292C]
3. A Not for Profit Organization may raise funds on a Social Stock Exchange through issuance of Zero Coupon Zero Principal Instruments **to eligible investors**. [Regulation 292G(a)(i)]
4. The procedure and other conditions in respect of public issuance of Zero Coupon Zero Principal Instruments by a Not for Profit Organization shall be as specified by SEBI. [Regulation 292K]
5. The contents of the fund raising document shall be as specified by SEBI. [Regulation 292M]
6. The regulation 292N has been omitted specifying the other conditions relating to issuance of Zero Coupon Zero Principal Instruments.

For details: https://www.sebi.gov.in/legal/regulations/dec-2023/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-third-amendment-regulations-2023_80419.html

(2) Guidelines for returning of draft offer document and its resubmission (Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2024/009 dated February 06, 2024)

Adequate disclosures by the issuer and timely processing of offer documents are important for the vibrancy of the primary market. It is imperative that the offer documents as filed by the issuers and lead manager(s) are compliant with Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”), which specifies information for disclosure in the draft offer document or the draft letter of offer and the offer document or the letter of offer, as applicable.

However, SEBI has observed that at times, draft offer documents / draft letter of offer filed for public issue / rights issue of securities are found lacking in compliance with respect to instructions

provided under Schedule VI of ICDR Regulations. Such documents require revisions/changes and thus lead to a longer processing time.

In order to ensure completeness of the offer document for investors and provide greater clarity & consistency in the disclosures and for timely processing, **SEBI has issued ‘Guidelines for returning of draft offer document and its resubmission’**.

Accordingly, the draft offer document shall be scrutinized based on the broad guidelines and such documents which are not compliant with the instructions provided under Schedule VI of ICDR Regulations and guidelines provided, shall be returned to the issuer. The Broad guidelines for returning of draft offer document and its resubmission are provided below:

Return of Draft Offer Document

- Draft offer document must be drafted in simple language with visual representation of data, so as to ensure ease of understanding of its contents.
- The information in the draft offer document is presented in a clear, concise, and intelligible manner.
- The draft offer document avoids complex presentations, vague, ambiguous and imprecise explanations, complex information, repetition of disclosures and inconsistency.
- The risk factors are appropriately worded in simple, clear and unambiguous language to bring out clearly the risk to the investor, without undermining the same.

Resubmission of Draft Offer Document

- While there shall be no requirement for payment of any fees on account of resubmission of draft offer document, the requirement for paying applicable fees for the changes, if any, in terms of changes specified in Schedule XVI of the ICDR Regulations for the updated offer document shall continue to apply as is applicable to issuer for updation in offer document.
- There shall be no refund of the filing fees on account of non-submission of draft offer document by the issuer after return.
- The issuer, within two days of resubmission of draft offer document with the SEBI, shall make a public announcement in the mode and manner as prescribed under ICDR Regulations, as applicable, and the issuer shall also include a disclosure that it is a resubmitted document.
- Issuer shall make written intimation to its sectoral regulator, if any, informing about the return and resubmission of the draft offer document, as applicable.

For details: https://www.sebi.gov.in/legal/circulars/feb-2024/guidelines-for-returning-of-draft-offer-document-and-its-resubmission_81146.html

(3) SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2024 (Notification No. SEBI/LAD-NRO/GN/2024/178 dated May 17, 2024)

SEBI has notified the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2024 on 17th May, 2024 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, the following amendments have been made in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018:

Promoters' Contribution in case of Initial Public Offer

- The promoters of the issuer shall hold at least twenty per cent. of the post-issue capital. Provided that in case the post-issue shareholding of the promoters is less than twenty per cent., alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with IRDAI or **any non-individual public shareholder holding at least five per cent. of the post-issue capital or any entity (individual or non-individual) forming part of promoter group other than the promoter(s)** may contribute to meet the shortfall in minimum contribution as specified for the promoters, subject to a maximum of ten per cent. of the post-issue capital without being identified as promoter(s). **[Regulation 14(1)]**

Lock-in Requirements in case of Initial Public Offer

- Minimum promoters' contribution including contribution made by alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India or **any non-individual public shareholder holding at least five per cent. of the post-issue capital or any entity (individual or non-individual) forming part of promoter group other than the promoter(s)** referred to in proviso to sub-regulation (1) of regulation 14, shall be locked-in for a period of eighteen months from the date of allotment in the initial public offer. Provided that in case the majority of the issue proceeds excluding the portion of offer for sale is proposed to be utilized for capital expenditure, then the lock-in period shall be three years from the date of allotment in the initial public offer. **[Regulation 16(1)(a)]**

Period of Subscription

- An IPO/FPO shall be kept open for at least 3 working days and not more than 10 working days. In case of force majeure, banking strike or similar **unforeseen** circumstances, the issuer may, for reasons to be recorded in writing, extend the bidding (issue) period disclosed in the red herring prospectus (in case of a book built issue) or the issue period disclosed in the prospectus (in case of a fixed price issue), for a minimum period of **one working day**. **[Regulation 46 and 142]**

Adjustments in Pricing in case of Preferential Issue - Frequently and Infrequently Traded Shares

- The effect on the price of the equity shares of the issuer due to material price movement and confirmation of reported event or information may be excluded as per the framework specified under sub-regulation (11) of regulation 30 of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 for determination of the price for a preferential issue in accordance with regulations 164, 164A, 164B or 165 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 [**Insertion: Regulation 166(2)**]

Pricing in case of Qualified Institutions Placement

- The effect on the price of the equity shares of the issuer due to material price movement and confirmation of reported event or information may be excluded as per the framework specified under sub-regulation (11) of regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for calculation of the issue price under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. [**Insertion: Regulation 176(5)**]

Promoters' Contribution in case of Initial Public Offer by Small and Medium Enterprises

- The promoters of the issuer shall hold at least twenty per cent. of the post-issue capital. Provided that in case the post-issue shareholding of the promoters is less than twenty per cent., alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India **or any non-individual public shareholder holding at least five per cent. of the post-issue capital or any entity (individual or non-individual) forming part of promoter group other than the promoter(s)** may contribute to meet the shortfall in minimum contribution as specified for the promoters, subject to a maximum of ten per cent. of the post-issue capital without being identified as promoter(s). [**First proviso to Regulation 236(1)**]

Lock-in of specified securities held by the promoters in case of Initial Public Offer by Small and Medium Enterprises

- Minimum promoters' contribution including contribution made by alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India **or any non-individual public shareholder holding at least five per cent. of the post-issue capital or any entity (individual or non-individual) forming part of promoter group other than the promoter(s)**, as applicable, shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the initial public offer, whichever is later. [**Regulation 238(a)**]

Period of subscription in case of Initial Public Offer by Small and Medium Enterprises

- A public issue shall be kept open for at least 3 working days and not more than 10 working days. In case of force majeure, banking strike or similar **unforeseen** circumstances, the issuer may, for reasons to be recorded in writing, extend the bidding (issue) period disclosed in the red herring prospectus (in case of a book built issue) or the issue period disclosed in the prospectus (in case of a fixed price issue), for a minimum period of **one working day**. [**Regulation 266**]
- The provisions mentioned in Regulation 38, Regulation 80, Regulation 135 and Regulation 197 and Regulation 259 pertaining to Security deposit have been omitted.

Brief Analysis:

In order to facilitate ease of doing business for companies coming for IPOs / fund raising, SEBI has amended the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and notified SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2024. The amendments, inter alia, have been made in respect of the following:

- Promoter group entities and non-individual shareholders holding more than five percent of the post-offer equity share capital to be permitted to contribute towards minimum promoters' contribution (MPC) without being identified as a promoter
- Doing away with the requirement of one percent security deposit in public/rights issue of equity shares.
- Flexibility in extending the bid/offer closing date on account of force majeure events by minimum one day instead of present requirement of minimum three days.

For details: https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-amendment-regulations-2024_83469.html

LESSON 11

LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS

(1) SEBI (Listing Obligations and Disclosure Requirements) (Seventh Amendment) Regulations, 2023 (Notification No. SEBI/LAD-NRO/GN/2023/161 dated December 21, 2023)

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Seventh Amendment) Regulations, 2023 on 21st December, 2023 which shall come into force on the date of their publication in the Official Gazette. The amendment has been made in regulation 91E(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which provides that the annual impact report shall be assessed by a Social Impact Assessment Firm employing Social Impact Assessor(s). Prior to the amendment, the requirement was to audit the annual impact report by a Social Audit Firm employing Social Auditor.

For details: https://www.sebi.gov.in/legal/regulations/dec-2023/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-seventh-amendment-regulations-2023_80417.html

(2) Extension of timeline for verification of market rumours by listed entities (Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/7 dated January 25, 2024)

The proviso to Regulation 30(11) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) inter-alia requires top 100 listed entities by market capitalization and thereafter the top 250 listed entities by market capitalization to mandatorily verify and confirm, deny or clarify market rumours from the date as may be specified by SEBI.

SEBI vide its Circular dated September 30, 2023, has made the said provision applicable to top 100 listed entities by market capitalization from February 1, 2024 and to top 250 listed entities by market capitalization from August 1, 2024.

SEBI has extended this timeline for effective date of implementation of the proviso to regulation 30(11) of the LODR Regulations for **top 100 listed entities** by market capitalization, to **June 1, 2024** and for **top 250 listed entities** by market capitalization, to **December 1, 2024**.

For details: https://www.sebi.gov.in/legal/circulars/jan-2024/extension-of-timeline-for-verification-of-market-rumours-by-listed-entities_80867.html

(3) SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 (Notification No. SEBI/LAD-NRO/GN/2024/177 dated May 17, 2024)

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official

Gazette except the amendments in Regulations 3, 17, 21(5), 25, 30 [omission of the Explanation under sub-regulation (11)], 34, 43A and 44 which shall come into force with effect from December 31, 2024.

- SEBI vide this notification has made amendments in Regulation 3(2) specifying the applicability of the provisions of SEBI LODR regulations to a listed entity on the basis of market capitalisation. It is provided that-

- (a) every recognized stock exchange shall, at the end of the calendar year i.e., 31st December, prepare a list of entities that have listed their specified securities ranking such entities on the basis of their average market capitalisation from 1st July to 31st December of that calendar year.
- (b) The relevant provisions shall then become applicable to a listed entity that is required to comply with such requirements for the first time (or, if applicable, required to comply after any interim period) after a period of three months from December 31 (i.e. April 1) or from the beginning of the immediate next financial year, whichever is later.

Provided that the listed entity, which is required to comply for the first time or after a period of cessation, shall put in place systems and processes for compliance with clause (f) of sub-regulation (2) of regulation 34 within a period of three months from December 31 (i.e. on or before April 1) or from the beginning of the immediate next financial year, whichever is later, and further disclose the Business Responsibility and Sustainability Report and/or assurance as per the Business Responsibility and Sustainability Report Core in the Annual Report prepared for the financial year in which systems and processes were required to be put in place in accordance with this proviso.

- (c) The listed entity shall continue to comply with relevant provisions that were applicable to it based on the market capitalisation of previous year and continue(s) to remain applicable on the basis of its rank in the list prepared by recognized stock exchanges as per clause (a) of this sub-regulation.

- In Regulation 3, the Regulations (2A) and (2B) have been added:

(2A) The provisions of these regulations, which become applicable to a listed entity on the basis of criteria of market capitalisation, shall continue to apply to such an entity unless its ranking changes in the list prepared in accordance with sub-regulation (2) of this regulation and such change results in the listed entity remaining outside the applicable threshold for a period of three consecutive years.

(2B) For such listed entities which remain outside the applicable threshold for a period of three consecutive years in terms of sub-regulation (2A) of this regulation, the provisions that apply on the basis of criteria of market capitalisation shall cease to apply at the end of the financial year following the 31st December of the third consecutive year:

Provided that for those listed entities that follow January to December as its financial year, the provisions shall cease to apply at the end of three months from 31st December of the third consecutive year (i.e. on 31st March).

- In accordance with second proviso to Regulation 15(1A), the Corporate Governance provisions shall be applicable to a ‘high value debt listed entity’ on a ‘comply or explain’ basis until March 31, 2024 earlier. Now, the said timelines have been extended to March 31, 2025.
- In proviso to Regulation 17(1)(a), the following is omitted:
 1. the words, numerals and symbols “top 500 listed entities shall have at least one independent woman director by April 1, 2019 and the Board of directors of the”
 2. the words, numerals and symbols “by April 1, 2020”
 3. the Explanation
- In Regulation 17(1)(c), the following is omitted:
 1. the words, numerals and symbols “top 1000 listed entities (with effect from April 1, 2019) and the”
 2. the words, numerals and symbols “(with effect from April 1, 2020)”
 3. the Explanation
- In sub-regulation 17(2A), the following is omitted:
 1. the words, numerals and symbols “top 1000 listed entities with effect from April 1, 2019 and of the”
 2. the words, numerals and symbols “with effect from April 1, 2020”
 3. Explanation II
- Regulation 21(3C) is amended and provides that, the meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than **two hundred and ten** days shall elapse between any two consecutive meetings.
- In Regulation 21(5), the words and symbols “determined on the basis of market capitalization as at the end of the immediate preceding financial year” have been omitted.
- In regulation 25(10), the words, symbols and numerals “calculated as on March 31 of the preceding financial year,” have been omitted.
- Where the listed entity is required to obtain approval of regulatory, government or statutory authorities to fill up such vacancies, then the vacancies shall be filled up by the listed entity at the earliest and in any case not later than six months from the date of vacancy. **[Insertion of Proviso in Regulation 26A(1) and 26A(2)]**
- The amendments have been made in Regulation 29 pertaining to Prior Imitations. The amended provisions of regulation 29 are reproduced below:

Prior Intimations [Regulation 29]

(1) The listed entity shall give prior intimation of at least two working days in advance, excluding the date of the intimation and date of the meeting, to stock exchange about the meeting of the board of directors in which any of the following proposals is due to be considered:

- a) financial results viz. quarterly, half yearly, or annual, as the case may be;
- b) proposal for buyback of securities;
- c) proposal for voluntary delisting by the listed entity from the stock exchange(s);
- d) fund raising by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through] further public offer, rights issue, American Depository Receipts/Global Depository Receipts/Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method and for determination of issue price:

Provided that intimation shall also be given in case of any annual general meeting or extraordinary general meeting or postal ballot that is proposed to be held for obtaining shareholder approval for further fund raising indicating type of issuance.

Provided further that intimation for determination of issue price in a qualified institutions placement is not required if such placement is done in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

- e) declaration/ recommendation of dividend, issue of convertible securities including convertible debentures or of debentures carrying a right to subscribe to equity shares or the passing over of dividend;
- f) the proposal for declaration of bonus securities;
- g) any alteration in the form or nature of any of its securities that are listed on the stock exchange or in the rights or privileges of the holders thereof;
- h) any alteration in the date on which, the interest on debentures or bonds, or the redemption amount of redeemable shares or of debentures or bonds, shall be payable.

(2) The intimation required under sub-regulation (1) shall mention the date of such meeting of board of directors.

- The listed entity may on its initiative also, confirm or deny any reported event or information to stock exchange(s).

Provided that the top 100 listed entities and thereafter the top 250 listed entities, with effect from the date specified by the SEBI, shall confirm, deny or clarify, upon the material price movement as may be specified by the stock exchanges, any reported event or information in the mainstream media which is not general in nature and which indicates that rumour of an impending specific event or information is circulating amongst the investing public, as soon as reasonably possible but in any case not later than twenty four hours from the trigger of material price movement. Provided further that if the listed entity confirms the reported event or information, it shall also provide the current stage of such event or information.

Provided further that when the listed entity confirms within twenty four hours from the trigger of material price movement, any reported event or information on which pricing norms provided under Chapter V or Chapter VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or pricing norms provided under Regulation 8 or Regulation 9 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or pricing norms provided under Regulation 19 or Regulation 22B of the SEBI (Buy- back of Securities) Regulations, 2018 or any other pricing norms specified by the SEBI or the stock exchanges are applicable, then the effect on the price of the equity shares of the listed entity due to the material price movement and confirmation of the reported event or information may be excluded for calculation of the price for that transaction as per the framework as may be specified by SEBI. **[Regulation 30(11)]**

- The promoter, director, key managerial personnel or senior management of a listed entity shall provide adequate, accurate and timely response to queries raised or explanation sought by the listed entity in order to ensure compliance with the requirements under sub-regulation 11 of this regulation and the listed entity shall disseminate the response received from such individual(s) promptly to the stock exchanges. **[Insertion: Regulation 30(11A)]**
- In regulation 34(2)(f), clause (i) to the Explanation-1 stated, market capitalization shall be calculated as on the 31st day of March of every financial year, has been omitted.
- In regulation 43A(1), the words, symbols and numerals “(calculated as on March 31 of every financial year)” have been omitted.
- In regulation 44(5), the words, symbols and numerals “determined as on March 31st of every financial year,” have been omitted.
- In regulation 44(6), the Explanation has been omitted.

For details: https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-amendment-regulations-2024_83476.html

LESSON 12 ACQUISITION OF SHARES AND TAKEOVERS – CONCEPTS

SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2024 (Notification No. SEBI/LAD-NRO/GN/2024/179 dated May 17, 2024)

Securities and Exchange Board of India, on May 17, 2024, notified the SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, the amendments have been made in Regulation 8 and Regulation 9 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. It is provided that for determination of the offer price under Regulation 8 and for determination of the price of equity shares under Regulation 9, the effect on the price of the equity shares of the target company due to material price movement and confirmation of reported event or information may be excluded as per the framework specified under Regulation 30(11) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same are reproduced hereunder:

“The effect on the price of the equity shares of the target company due to material price movement and confirmation of reported event or information may be excluded as per the framework specified under sub-regulation (11) of regulation 30 of the listing regulations for determination of the offer price under this regulation.” **[Insertion: Regulation 8(17)]**

“The effect on the price of the listed equity shares, which are offered as consideration, due to material price movement and confirmation of reported event or information may be excluded as per the framework specified under sub-regulation (11) of regulation 30 of the listing regulations for determination of the price of such equity shares under this regulation.” **[Insertion: Regulation 9(6)]**

For details: https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-of-india-substantial-acquisition-of-shares-and-takeovers-amendment-regulations-2024_83472.html

LESSON 13 PROHIBITION OF INSIDER TRADING

SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2024 (Notification No. SEBI/LAD-NRO/GN/2024/181 dated May 17, 2024)

Securities and Exchange Board of India, on May 17, 2024, notified the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, SEBI has amended the definition of “generally available information” as prescribed under regulation 2(1)(e) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and provides that generally available information means information that is accessible to the public on a non-discriminatory basis and **shall not include unverified event or information reported in print or electronic media.**

For details: https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-of-india-prohibition-of-insider-trading-amendment-regulations-2024_83471.html

LESSON 16 BUY-BACK OF SECURITIES

(1) **SEBI (Buy-Back of Securities) (Amendment) Regulations, 2024 (Notification No. SEBI/LAD-NRO/GN/2024/180 dated May 17, 2024)**

Securities and Exchange Board of India, on May 17, 2024, notified the SEBI (Buy-Back of Securities) (Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, the amendments have been made in Regulation 19 and Regulation 22B of the SEBI (Buy-Back of Securities) Regulations, 2018. It is provided that for determination of the volume weighted average market price under Regulation 19 and for calculation of the lower end of the price range under Regulation 22B, the effect on the price of the equity shares of the company due to material price movement and confirmation of reported event or information may be excluded as per the framework specified under Regulation 30(11) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same are reproduced hereunder:

“Provided further that the effect on the price of the equity shares of the company due to material price movement and confirmation of reported event or information may be excluded as per the framework specified under sub-regulation (11) of regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for determination of the volume weighted average market price.” **[Insertion: Proviso to Regulation 19]**

“The effect on the price of the equity shares of the company due to material price movement and confirmation of reported event or information may be excluded as per the framework specified under sub-regulation (11) of regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for calculation of the lower end of the price range under this regulation.” **[Insertion: Regulation 22B(vi)]**

For details: https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-of-india-buy-back-of-securities-amendment-regulations-2024_83474.html
