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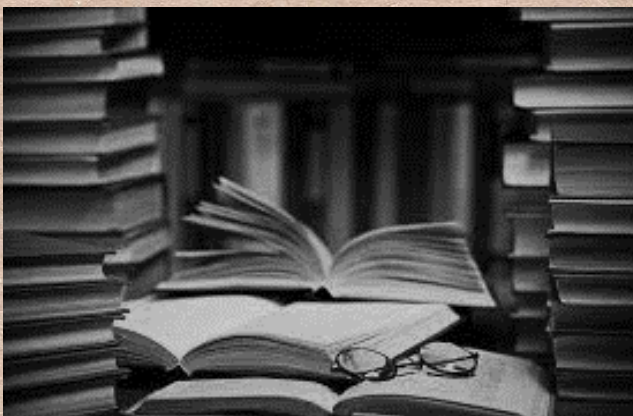
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Affirmanti Non Neganti Incumbit Probatio - 'the burden of proof lies upon him who affirms, not upon him who denies'



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SEBI SPECIFIES BRSR CORE FRAMEWORK FOR ASSURANCE AND ESG DISCLOSURES FOR VALUE CHAIN AND ITS APPLICABILITY

Securities and Exchange Board of India (“SEBI”), *vide* its circular dated July 12, 2023, has specified the framework for assurance of the newly introduced Business Responsibility and Sustainability Reporting Core (“BRSR Core”) and disclosures for value chain as inserted by way of an amendment in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), *vide* its notification dated June 14, 2023.

BRSR Core is a sub-set of Business Responsibility and Sustainability Reporting (“BRSR”) consisting of a set of Key Performance Indicators (“KPIs”) under Environmental, Social and Governance (“ESG”) attributes. Keeping in view the relevance of Indian/ emerging market context, few new KPIs have been identified (such as job creation in small town, gross wages paid to women, intensity ratios based on revenue adjusted for purchasing power parity, etc.). BRSR format as prescribed in Annexure 16 of the Master Circular dated July 11, 2023, has been revised accordingly.

Applicability and timeline of the revised BRSR format:

Top 1000 listed entities by market capitalization shall make disclosures as per the revised updated BRSR format as a part of their annual reports from the financial year (“FY”) 2023-24.

Applicability and timeline of BRSR Core and its reasonable assurance as per the below glide path:

FY	Applicability of BRSR Core to top listed entities (by market capitalization)
2023-24	Top 150 listed entities
2024-25	Top 250 listed entities
2025-26	Top 500 listed entities
2026-27	Top 1000 listed entities

ESG disclosures & limited assurance for value chain - applicability and timeline:

Disclosures for value chain shall be made by the listed entity as per BRSR Core, as a part of its annual report. The listed entity shall report the KPIs in BRSR Core for their value chain to the extent attributable. Such reporting may be segregated (for upstream/ downstream partners) or can be reported on an aggregate basis.

ESG disclosures for value chain (shall be applicable from FY 2024-25) and limited assurance of the value chain (shall be applicable from FY 2025-26) to the top 250 listed entities (by market capitalization), shall be on a comply or explain basis. The value chain shall encompass the top upstream and downstream partners of a listed entity, cumulatively comprising 75% of its purchases/ sales (by value), respectively.

Board of the listed entity shall ensure that assurance provider of the BRSR Core has necessary expertise for taking reasonable assurance and there is no conflict of interest.

To read the circular [click here](#) & to read the BRSR format (Annexure-16) as per the Master Circular [click here](#) 

SEBI NOTIFIES (ALTERNATIVE DISPUTE RESOLUTION MECHANISM) (AMENDMENT) REGULATIONS, 2023

SEBI, *vide* its notification dated July 3, 2023, has notified the SEBI (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023 ("**ADR Amendment Regulations**"), with an aim to provide a standardised mechanism for resolution of disputes between investors or clients and the market participants/ intermediaries registered with SEBI.

Through these regulations, SEBI has amended regulations pertaining to SEBI regulated intermediaries, so as to mandate the submission of disputes between the aforesaid intermediaries/ market participants and its clients or investors to a dispute resolution mechanism comprising of mediation and/or conciliation and/or arbitration, in accordance with the procedure specified by SEBI, from time to time.

Further, these regulations also amend the LODR Regulations to the extent of stating that any disputes between listed entities and its investors arising due to the listed entities' activities in the securities market shall be referred to a dispute resolution mechanism that includes mediation and/or conciliation and/or arbitration, in accordance with the procedure specified by SEBI, from time to time.

To read the notification [click here](#) 

SEBI INTRODUCES ONLINE DISPUTE RESOLUTION PORTAL

SEBI, *vide* its circular dated July 31, 2023 ("**ODR Circular**"), has sought to streamline the existing dispute resolution mechanism in the Indian securities market by mandating stock exchanges and depositories (collectively referred to as Market Infrastructure Institutions ("**MIs**")) to establish a common Online Dispute Resolution Portal ("**ODR Portal**") which will harness online conciliation and online arbitration for resolution of disputes arising in the Indian securities market.

The said ODR Circular has been issued by SEBI after extensive public consultations, pursuant to the ADR Amendment Regulations that were notified on July 3, 2023, and provides for the following amongst other things: (a) the obligations on MIs to establish and operate the ODR Portal in consultation with the independent Online Dispute Resolution (ODR) institution(s) empanelled by it; (b) the process for initiation of disputes arising between investors/ clients and listed companies or any of the specified intermediaries/ regulated entities in the securities market ("**Market Participants**"), and resolution thereof in a time-bound manner through online conciliation and/ or arbitration in accordance with the Arbitration and Conciliation Act, 1996; (c) the process of online conciliation and online arbitration and the manner in which costs of such dispute resolution mechanism are to be borne, etc.

To initiate complaints or disputes through the ODR Portal, the dispute should not be pending before any arbitral process, court, tribunal, or consumer forum. Further, all matters that are appealable before the Securities Appellate Tribunal shall be outside the purview of the ODR Portal.

The provisions of the ODR Circular are to be implemented in a phased manner as more specifically set out therein. The registration of complaints/ disputes against all Market Participants (other than brokers and depository participants) and resolution thereof shall commence on and from September 16, 2023, and the implementation of related processes and requirements envisaged in the ODR Circular shall also come into effect by September 16, 2023.

To read the circular [click here](#)



SEBI CIRCULAR ON DISCLOSURE OF MATERIAL EVENTS / INFORMATION BY LISTED ENTITIES UNDER SEBI (LODR) REGULATIONS

SEBI, *vide* its circular dated July 13, 2023 (effective from July 15, 2023), has altered its original circular dated September 09, 2015, pertaining to the captioned subject, which now forms part of the Master Circular (Section V-A of Chapter V) dated July 11, 2023.

The aforesaid circular consists of following 4 annexures with respect to disclosure requirements under Regulations 30 and 30A of the extant LODR Regulations:

(a) **Annexure I** specifies the details that need to be provided while disclosing events given in Part A of Schedule III i.e., material events like sale/ disposal of undertakings, sale of stake in associate company, details includes (i) amount of percentage of net worth/ turnover contributed by such undertaking/ associate company, and (ii) expected date of completion of sale/ disposal, etc. (this annexure substitutes annexure 18 to the Master Circular); (b) **Annexure II** specifies the various timeline (viz., 24 hours/ 12 hours/ 30 minutes) for disclosing material events for e.g., in case of change in directors, key managerial personnel, senior management, compliance officer within 12 hours from such change, in case of resignation - within 24 hours from effective date of resignation; (c) **Annexure III** provides guidance on when an event/ information can be said to have occurred for the purpose of disclosure under Regulation 30 of the LODR Regulations for instance if it is based upon approval by the board of directors like right issue of shares then upon receipt of approval of the board of directors or in case no such approval is needed like in case of natural calamities, the timing when listed entity becomes aware about such information (this annexure substitutes annexure 19 to the Master Circular); and (d) **Annexure IV** provides guidance on the criteria for determination of materiality of events/ information like one of the criteria provided under Regulation 30(4) of the LODR Regulations is if the omission of event whose value/ expected impact in terms of value exceeds lower of either (i) 2% of turnover, (ii) 2% of net worth, or (iii) 5% of average (last 3 years) of absolute value (disregarding the sign whether positive/ negative) of profit or loss after tax, as per the last audited consolidated financial statements of the listed entity.

To read the circular [click here](#) & to read the Master Circular [click here](#)




SEBI STREAMLINES THE PRICING NORMS FOR INSTITUTIONAL PLACEMENT OF UNITS BY LISTED INVITS AND LISTED REITS

SEBI, *vide* its circulars dated July 5, 2023, has made amendments to the guidelines for preferential issue and institutional placement of units by a listed Infrastructure Investment Trusts ("InvITs") and Real Estate Investment Trusts ("REITs") by modifying Clause 2 of Annexure-II of SEBI circulars dated November 27, 2019 ("**Guidelines Circulars**"), pertaining to pricing of units.

SEBI by virtue of this amendment has done away with the requirement of taking into account net asset value (NAV) of InvITs/ REITs based on the full valuation of InvITs/ REITs assets, in case units of the listed InvITs/ REITs are not frequently traded as currently mentioned in the Guidelines Circulars. Accordingly, the methodology of determining the pricing norms for infrequently traded units and frequently traded units of listed InvITs and listed REITs, in case of institutional placements, is now same.

To read the InvITs circular [click here](#) & to read the Guidelines Circular for listed InvITs [click here](#)

To read the REITs circular [click here](#) & to read the Guidelines Circular for listed REITs [click here](#) 

SEBI NOTIFIES THE SEBI (ISSUE AND LISTING OF NON- CONVERTIBLE SECURITIES) (SECOND AMENDMENT) REGULATIONS, 2023

SEBI, *vide* its notification dated July 3, 2023, has notified the SEBI (Issue and Listing of Non-Convertible Securities) (Second Amendment) Regulations, 2023, with a view to standardise the procedures regarding the issuance and listing of non-convertible securities.

The following pertinent amendments have been made:

(a) issuers of non-convertible securities making second or subsequent offers during the validity of a general information document, which provides for the information and disclosures regarding such issue, need not file a separate general information document every time they make a subsequent offer. Further, while making the second or subsequent offer, any material development or information that was previously not present in the general information document, can now be disclosed by the issuer by filing a key information document such that the information provided in this key information document would suffice for the purpose of the second or subsequent issuances; (b) additional disclosure requirements have been added which include, *inter alia*, the requirement to have a clause contained in the issue document regarding the issuer's absolute responsibility with respect to the issue document and the information contained therein along with providing details of promoters of the issuer; (c) a new definition for the term 'senior management' has been added to include, among others, the officers and personnel of the issuer who are members of its core management team, excluding the Board of Directors, and all the members of the management one level below the Chief Executive Officer or Managing Director or Whole-time

Director or Manager; and (d) additional disclosure requirements to be made by the members of the 'senior management' have also been added, thereby increasing the accountability of the 'senior management' for decisions taken with respect to issuing and listing of non-convertible securities.

To read the notification [click here](#)



SEBI EXTENDS THE FRAMEWORK FOR RESTRICTING TRADING BY DESIGNATED PERSONS UNDER PIT REGULATIONS

SEBI, *vide* its circular dated July 19, 2023, has extended the framework for restrictive trading by Designated Persons ("DPs") by freezing Permanent Account Number ("PAN") at security level to all the listed companies in a phase manner (refer the below table) in relation to trading window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations").

Trading window shall be closed by the compliance officer of the listed company when he determines that DPs can be reasonably expected to have possession of unpublished price sensitive information ("UPSI"). During the closure of trading window, DPs and their immediate relatives are restricted to trade in securities to which UPSI relates (for instance trading window shall be closed after end of every quarter till 48 hours after declaration of the financial results by a listed company, during this period DPs and their immediate relatives are restricted to trade in the securities).

The framework was initially introduced by SEBI, *vide* its circular dated August 05, 2022, and was made applicable to those listed companies that were part of benchmark indices i.e., NIFTY 50 and SENSEX. The said circular was rescinded and superseded by the Master Circular on surveillance of security market dated March 23, 2023 ("Master Circular").

Considering the satisfactory implementation of the aforesaid framework for the listed entities forming part of benchmark indices, SEBI has extended the framework to all the listed companies in a phased manner as per the below glide path:

Timelines for phase wise implementation of the framework:

Sr. No.	Companies to be covered	PAN freeze start date
1	Listed companies that are part of benchmark indices i.e., NIFTY 50 and SENSEX	Already applicable as on date
2	Top 1000 companies in terms of BSE Market Capitalization as of June 30, 2023 (excluding companies which are part of benchmark indices)	October 1, 2023

3	Next 1000 companies in terms of BSE Market Capitalization as of June 30, 2023	January 1, 2024
4	Remaining companies listed on BSE, NSE and MSEI	April 1, 2024
5	Companies getting listed on Stock Exchanges post issuance of this circular	1 st day of the second quarter from the quarter in which the company gets listed

To read the circular [click here](#) & to read the Master Circular [click here](#)



SEBI INTRODUCES THE REGULATORY FRAMEWORK FOR SPONSORS OF A MUTUAL FUND

SEBI, *vide* its circular dated July 7, 2023, has introduced the regulatory framework for sponsors of a mutual fund ("**Regulatory Framework**"), in order to enhance the penetration of the mutual fund industry in India, to facilitate new types of players to act as sponsors of mutual funds and to facilitate the fresh flow of capital into the mutual fund industry, among other things.

The Regulatory Framework, *inter alia*, provides for the following:

(a) in case of change in control of an existing asset management company ("**AMC**") due to the acquisition of shares, the cost of acquisition may be funded out of the borrowings taken by a sponsor (being any person who, acting individually or in concert with another body corporate, establishes a mutual fund) but the sponsor must have sufficient assets, other than the shares of the proposed AMC, to encumber these borrowings; (b) the sponsor's stake in the proposed AMC must be free of all encumbrances at all times; (c) for any private equity fund ("**PE Fund**") to qualify as a mutual fund sponsor, the applicant PE Fund must be a body corporate set up in India or abroad and the PE Fund or its manager must have a minimum experience of 5 years in the capacity of a fund/investment manager along with an experience of investing in the financial sector; and (d) the Regulatory Framework has also allowed a sponsor to voluntarily reduce its stake in an AMC and thereby allowed an AMC to become a self-sponsored AMC subject to certain conditions.

To read the circular [click here](#)



EPFO DECLARES THE RATE OF INTEREST FOR EMPLOYEES' PROVIDENT FUND MEMBERS ACCOUNT FOR THE YEAR 2022-23

Employees' Provident Fund Organisation ("**EPFO**"), *vide* its notification dated July 24, 2023, notified that the Central Government has approved interest @ 8.15% per annum to be credited to the account of each member of the Employees' Provident Fund Scheme, 1952, for the year 2022-23. This notification emanates from paragraph 60 of the Employees' Provident Fund Scheme, 1952, which provides that interest shall be credited to the account of each member at the rate determined by the Central Government.

To read the notification [click here](#)



ESIC EXTENDED THE ATAL BEEMIT VYAKTI KALYAN YOJANA TILL JUNE 2024

Employees' State Insurance Corporation ("ESIC"), *vide* its notification dated July 11, 2023, has extended the Atal Beemit Vyakti Kalyan Yojana for the period July 1, 2022 to June 30, 2024, with the relaxed eligibility conditions and enhanced the rate of relief. Atal Beemit Vyakti Kalyan Yojana is a welfare measure for employees covered under Section 2(9) of Employees' State Insurance Act, 1948, in the form of relief payment up to 90 days, once in a lifetime. The primary objective of the scheme is to provide financial support to individuals who have faced unemployment during the COVID-19 pandemic. The scheme provides relief to the extent of 50% of the average per day earning during the last employment. All insured persons meeting the eligibility conditions are covered under this scheme.

To read the notification [click here](#) & to read the eligibility conditions [click here](#)



ANDHRA PRADESH ISSUES GUIDELINES TOWARDS SAFETY OF FACTORY WORKERS REQUIRED TO WORK IN CONFINED SPACES

Labour, Factories, Boilers & Insurance Medical Services Department, *vide* its notification dated July 7, 2023, has issued detailed guidelines and instructions for the occupiers and managers of the factories operating in Andhra Pradesh to ensure safety of the workers required to work in 'confined spaces'. Although there exist obligations in the Factories Act, 1948 and Andhra Pradesh Factories Rules, 1950 in this regard, however there was a need of an explicit procedure to be laid down.

In order to create a minimum compliance base line, operational guidelines have been issued through a standard operating procedure called 'Work Permit System'. The explicit procedure for such 'Work Permit' has been laid down in the guidelines.

The guidelines clearly elaborate on what would be considered as 'confined spaces'. There shall be a 'confined space entry supervisor' who shall be responsible to verify whether all the requirements are fulfilled and accordingly, authorise entry. The guidelines requires that key personnels identified by the occupiers and managers shall have to undergo training.

To read the notification [click here](#)



GSTN BROUGHT UNDER PMLA FOR INFORMATION SHARING

The Ministry of Finance ("MoF"), *vide* its notification dated July 7, 2023, has brought the Goods and Services Tax Network ("GSTN") under the list of items contained in Clause (ii) of sub-section (1) of Section 66 of the Prevention of Money Laundering Act, 2002 ("PMLA"). Section 66 of the PMLA, *inter alia*, deals with the list of agencies that have to share information already with the Enforcement Directorate ("ED") under the PMLA in public interest. Some of the agencies which are

already in the list includes National Investigation Agency, Serious Fraud Investigation Agency, Ministry of External Affairs, Competition Commission of India, Defence Intelligence Agency, etc.

To read the notification [click here](#)



TCSPS UNDER PMLA HAVE TO REGISTER UNDER FINNET 2.0 PORTAL

MoF, *vide* its notification dated May 9, 2023 ("**PMLA Notification**"), has brought few entities, which carried out certain activities, for e.g., acting as formation agents of companies and limited liability partnerships, acting as a director or secretary of a company, a partner of a firm or similar position in relation to other companies and limited liability partnerships, etc., under the ambit of Section 2(1)(sa)(vi) of PMLA.

The said entities referred to as 'Trust and Company Service Providers' ("**TCSPs**"), are mandatorily required to comply with the provisions of the PMLA and rules framed thereunder, which *inter-alia*, include registration on FINNET 2.0 portal, appointment of principal officer and designated director, performing customer due diligence, record keeping, report suspicious transaction to the Financial Intelligence Unit-India ("**FIU-IND**"), etc. In order to enable the compliance of TCSPs with the PMLA Notification, the MoF, *vide* its notification dated July 17, 2023, has mandated the registration of TCSPs with the FINNET 2.0 portal of FIU-IND.

To read the notification [click here](#) & to read the PMLA Notification [click here](#)



THE VALIDITY OF INDUSTRIAL LICENSE EXTENDED FROM 3 YEARS TO 15 YEARS

The Department for Promotion of Industry and Internal Trade ("**DPIIT**") under the Ministry of Commerce and Industry ("**MCI**"), *vide* its Press Note No. 1 of 2023 ("**Press Note 1**") in supersession of earlier press notes has extended the validity period from 3 years to 15 years for all kinds of industrial licenses ("**Industrial License**") henceforth to be granted under the Industries (Development and Regulation) Act, 1951 in line with the validity of licenses being issued for defence items as a measure for ease of doing business. The Press Note 1 also provides that an extension of 3 years may be granted by the concerned Administrative Ministry/ Explosive Section (DPIIT) as per the guidelines mentioned in the Press Note 1.

The extension of validity of Industrial License can be granted in cases where the existing license holder has not commenced production of the items within 15 years of the issue of Industrial License subject to certain conditions, for e.g.,: (a) application should be submitted prior to the expiry of 15 years period or period otherwise specified for commencement of commercial production; (b) the status and condition of the firm should be the same as mentioned in the Industrial License issued to the firm and any amendment thereto must be endorsed on the license before the application; (c) the land should have been acquired by the applicant either under ownership or on lease for a minimum period of 30 years; (d) the construction on the project should

have been completed; (e) plant and machinery for the project should have been installed/commissioned, etc.

To read the Press Note 1 [click here](#)



ELECTRICITY (AMENDMENT) RULES, 2023 NOTIFIED BY MOP

The Ministry of Power ("MoP"), *vide* its notification dated June 30, 2023, has notified the Electricity (Amendment) Rules, 2023 ("**Amendment Rules**"), with an aim to expand the ambit of the definition of captive user and provide clarity to the ownership requirement for captive users in respect to captive generation plants, the duration of licensees and deemed licensees under Section 14 of the Electricity Act, 2003.

Rule 3 of the Electricity Rules, 2005 ("**Electricity Rules**"), prior to the amendment, stated that a power plant would not qualify as a captive generating plant, unless (a) not less than 26% of the ownership is held by 'captive users'; and (b) not less than 51% of the aggregate electricity generated in such plant, determined on an annual use, is consumed for captive use.

The Amendment Rules has substituted the word "user" instead of word "user(s)" under Rule 3 (1) (a) (i) of the Electricity Rules. Therefore, post the amendment, it can be argued that the ownership of 26% in relation to captive generation plants must be held by each captive user individually (even in a group captive structure). As per the Amendment Rules, when an affiliate company sets up a captive generating plant, at least 51% of the ownership of such affiliate company should be held by the captive user.

To read the notification [click here](#)



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