

Newsletter

Volume 14, September 2023



SNG & PARTNERS

Advocates & Solicitors

ESTD 1962



5

ARBITRATION & CONCILIATION ACT (A & C ACT)

1. Calcutta High Court opines: The Court has the power to grant interim measures even where the property is not the subject matter of the dispute in Arbitration.
2. Himachal Pradesh High Court Enunciates: Section 14 of the limitation act can apply to section 34 applications under the Arbitration Act if the requirements are fulfilled.
3. Calcutta High Court Opines: Due weightage should be given to the intention of the parties while determining the seat of arbitration.
4. Allahabad High Court affirms unrestricted power to courts for applying the doctrine of severability u/s 34 of the Arbitration Act.

6

INSOLVENCY AND BANKRUPTCY CODE (IBC)

1. International Financial Services Centres Authority (Banking) Regulations, 2020 have been amended.
2. NCLAT, New Delhi expounds: Pendency of avoidance application not a ground to defer adjudication on application seeking approval of resolution plan.
3. SC expounds: Belated claim of arbitral award not to be included in the resolution plan after CoC's approval.
4. NCLAT, New Delhi expounds: Not necessary to share all information with the shareholders.
5. NCLAT, Chennai Bench rules: Performance Bank Guarantee does not fall under Moratorium, in terms of Sec 14 of the IBC

INDEX

6. NCLAT, New Delhi expounds: Default committed prior to Sec 10A and continues in Sec 10 A period, no bar on initiating CIRP.
7. NCLAT, New Delhi Bench expounds: TDS deduction does not extend the limitation period.

9

MINISTRY OF CORPORATE AFFAIRS (MCA)

1. NCLAT, New Delhi expounds: For restoring the name of the company, it is to be satisfied that the company is running as on the date of striking off.
2. Supreme Court rules: Secured creditors take precedence over the customs authorities.
3. Clarification on the holding of Annual General Meeting (AGM) and EGM through Video Conference or other Audio Visual Means (OAVM) and passing of the Ordinary and Special Resolutions by the companies under the Companies Act, 2013 read with Rules made thereunder for Extension of timeline.
4. Constitution of the Company Law Committee.

11

RESERVE BANK OF INDIA (RBI)

1. Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans.
2. 2000 Denomination Banknotes – Withdrawal from Circulation – Review.

INDEX

3. Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023.

12

REAL ESTATE REGULATORY AUTHORITY (RERA)

1. Introduction of MahaRERA Grading Matrix for Real Estate Projects.

13

SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

1. Mandating additional disclosures by Foreign Portfolio Investors (FPIs) that fulfil certain objective criteria.
2. Modification in Cyber Security and Cyber Resilience framework of Stock Exchanges, Clearing Corporations and Depositories.
3. SEBI initiates third tranche of distribution of disgorged/recovered amount to investors in the matter of IPO irregularities.
4. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2023.

5. New format of Abridged Prospectus for public issues of Non-Convertible Debt Securities and/or Non-convertible Redeemable Preference Shares.
6. Mechanism for Sharing of Information by Credit Rating Agencies (CRAs) to Debenture Trustees (DTs).
7. Clarification regarding investment of Mutual Fund schemes in units of Corporate Debt Market Development Fund.
8. Board nomination rights to unitholders of Infrastructure Investment Trusts (InvITs).
9. Board nomination rights to unitholders of Real Estate Investment Trusts (REITs).
10. Regulatory Reporting by AIFs.
11. Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to the Online Dispute Resolution platform.



Editor's note

We are pleased to share with you the SNG Newsletter for the month of September, 2023. In this issue we have covered legal updates in the space of Arbitration, IBC, and guidelines issued by RBI, MCA and SEBI.

Recent developments and judicial interpretations in relation to the IBC have brought about noteworthy insights into its application and nuances. The International Financial Services Centres Authority (IFSCA) introduced amendments to the International Financial Services Centres Authority (Banking) Regulations, 2020. These amendments redefine key terms, such as "Banking Unit" and introduce provisions allowing the conversion of IFSC Banking Units to IFSC Banking Companies. The NCLAT, New Delhi Bench, clarified that not all information collected by the Resolution Professional needs to be shared with shareholders who request it. This ruling maintains a balance between transparency and confidentiality in the resolution process, allowing the Resolution Professional to provide information as directed by the Adjudicating Authority.

Recent Developments in Corporate Affairs like NCLAT's Perspective on Restoring Company Names, Supreme Court's Stance on Creditor Priority, Extension of Company Law Committee's Tenure are important.

The steps taken by RBI to address aspects of responsible lending practices and managing currency circulation efficiently are important. RBI's issuance of comprehensive directions pertaining to the Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation, and Operation of Investment Portfolio Norms, as well as Resource Raising Norms for All India Financial Institutions, is a significant development in the regulatory landscape.

MahaRERA's Grading Matrix for Real Estate Projects is important to note.

SEBI's recently introduced regulatory changes across various sectors of the financial market are noteworthy. These changes reflect SEBI's commitment to enhancing transparency, protecting investor interests, and strengthening the regulatory framework.

The decision made by SEBI to mandate additional disclosures by certain FPIs is a proactive move aimed at ensuring transparency and preventing regulatory circumvention. The revision of the reporting format for Alternative Investment Funds (AIFs) enhances transparency and standardization in the reporting process.

SEBI's modification to the cyber security and cyber resilience framework for market infrastructure institutions (MIIs) underscores the growing importance of safeguarding financial systems against cyber threats. By mandating comprehensive cyber audits and requiring certifications from the MD/CEO, SEBI is ensuring that MIIs have robust mechanisms in place to detect and mitigate vulnerabilities. This move reflects the increasing significance of cybersecurity in the financial sector and reinforces SEBI's commitment to protecting market integrity.

I hope you will find this edition useful.

Best wishes,

Rajesh Narain Gupta

Managing Partner,
SNG & Partners

A. ARBITRATION & CONCILIATION ACT (A & C ACT)

1. Calcutta High Court opines: The Court has the power to grant interim measures even where the property is not the subject matter of the dispute in Arbitration

The Calcutta High Court allowed an application seeking an order of injunction on the respondent from dealing with or taking any step in creating any interest over 13 flats together and some other property in the building proposed to be constructed by the respondent. The Court observed that the Court has power in a section 9 application to grant interim measures even where the property is not the subject matter of the dispute in arbitration.

[Read More](#)

2. Himachal Pradesh High Court Enunciates: Section 14 of the limitation act can apply to section 34 applications under the Arbitration Act if the requirements are fulfilled

In an application filed under section 34 of the Arbitration and Conciliation Act, 1996 the court noted that section 14 of the Limitation Act would be applicable when the proceedings instituted in the wrong forum were within the period of limitation and the mandatory conditions of bonafide mistake and due diligence were fulfilled.

[Read More](#)

3. Calcutta High Court Opines: Due weightage should be given to the intention of the parties while determining the seat of arbitration

The Calcutta High Court dismissed an application filed under section 9 of The Arbitration and Conciliation Act, 1996 for an injunction restraining respondent no. 1 Bharat Heavy Electricals Limited (BHEL), from invoking and encashing the performance bank guarantee issued by respondent no. 2 Punjab and Sind Bank and the modified performance bank guarantee of 7th April 2021 and 8th March 2022 respectively. The Court, while interpreting an arbitration clause where the Work Order specifies that the seat of arbitration shall be Kolkata but clarifies in brackets that the seat will be the place from where the contract is issued, said that the intention of the parties has to be given due weightage.

[Read More](#)

4. Allahabad High Court affirms unrestricted power to courts for applying the Doctrine of Severability u/s 34 of the Arbitration Act

The Allahabad High Court in a landmark judgment held that The Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'The Act') does not prohibit Courts from applying the doctrine of severability to an arbitral award when assessing objections under Section 34 of The Act.

This case centres on the arbitration of disputes stemming from the HSCL-NOIDA contract. The Commercial Court's decision to set aside the Arbitral Award prompted an appeal, filed under relevant sections of the Commercial Courts, Commercial Division, and Commercial Appellate Division of High Courts Act, 2015, and The Act.

[Read More](#)

B. INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

1. International Financial Services Centres Authority (Banking) Regulations, 2020 have been amended

The International Financial Services Centres Authority ("IFSCA") has made several amendments to the International Financial Services Centres Authority (Banking) Regulations, 2020.

Some of the key amendments are:

1. Substitution of Regulation 2(1)(c):

"Banking Unit" or "BU" means a financial institution defined under clause (c) of sub-section (1) of Section 3 of the Act that is licensed or permitted by the Authority to undertake permissible activities under these regulations."

2. Insertion of Regulation 3(1A):

"(1A) A Banking unit may be set up in an IFSC as an :

a) IFSC Banking Unit or IBU; or

b) IFSC Banking Company or IBC

provided that a Parent Bank who has already set up an IBU in an IFSC may be permitted to convert the same to an IBC, with the prior approval of the Authority, subject to such conditions as may be specified by the Authority."

3. Substitution of Regulation 6

"Banking Units shall adhere to the norms and guidelines

relating to Leverage Ratio as may be specified by the Authority, from time to time ”

4. Substitution of Regulation 16

“A Banking Unit shall maintain its books of accounts, records and documents in the specified foreign currencies, as may be declared at the time of making an application under Regulation 3.”

5. 1st schedule has been inserted captioned as specified foreign currencies

The amended regulations will come into force from the date of their publication in the Official Gazette.

[Read More](#)

2. NCLAT, New Delhi expounds: Pendency of avoidance application not a ground to defer adjudication on application seeking approval of resolution plan

The NCLAT, New Delhi Bench that the avoidance application has to be decided by the NCLT which shall not affect the proceedings of the CIRP. Further, the PUFE Applications are different proceedings. It was ruled that the NCLT is well within the jurisdiction to consider both the Resolution Plan Approval Application as well as PUFE Application but it erred in observing that the consideration of Plan Approval Application has to be deferred and can be taken only after PUFE Applications are decided.

[Read More](#)

3. SC expounds: Belated claim of arbitral award not to be included in the resolution plan after CoC's approval

The Hon'ble Supreme Court noted that the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “IBC”) is a time-bound procedure. It was observed that the Appellant had a delay of 287 days. It should have been on the Appellant to find out whether the Corporate Debtor was undergoing Corporate Insolvency Resolution Process (“CIRP”).

It was opined that Section 15 of the IBC and Regulation 6 of the IBBI Regulations mandate a public announcement of the CIRP through newspapers. This would constitute deemed knowledge on the Appellant. In any case, their plea of not being aware of newspaper pronouncements should not be available to a commercial party.

[Read More](#)

.....

.....

4. NCLAT, New Delhi expounds: Not necessary to share all information with the shareholders

.....

The NCLAT, New Delhi Bench opined that the scheme of Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “IBC”). does not indicate that all information collected by the Resolution Professional has to be shared with Shareholders who ask for the information.

Further, In the present case, the NCLT on an application under Section 60(5) has issued direction to the Resolution Professional to file the documents in a sealed cover without e-filing. Under the NCLT Rules, 2016, the Adjudicating Authority under Rule 43 is empowered to call for any information or evidence.

[Read More](#)

5. NCLAT, Chennai Bench rules: Performance Bank Guarantee does not fall under Moratorium, in terms of Sec 14 of the IBC

.....

The NCLAT, Chennai Bench opined that the Performance of Bank Guarantee is excluded from the definition Section 3 (31) of the IBC. Therefore, it was ruled that the Performance Bank Guarantee does not fall under Moratorium, in terms of Section 14 of the IBC.

It was expounded that the Bank Guarantee is neither an Asset nor a Liability of a Company and hence, the invocation of the Bank guarantees by the Respondent No.1 were held to be valid as the same were pursuant to the Transmission Agreement.

[Read More](#)

6. NCLAT, New Delhi expounds: Default committed prior to Section 10A and continues in Section 10 A period, no bar on initiating CIRP

.....

The NCLAT, New Delhi Bench opined that the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “IBC”) bars initiation of Corporate Insolvency Resolution Process (“CIRP”) proceedings when the Corporate Debtor commits any default during the Section 10A period. However, if the default is committed prior to the Section 10A period and continues in the Section 10A period, this statutory provision does not put any bar on the initiation of CIRP proceedings.

It was opined that it was never the intention to cover any default occurring before the period of Section 10A and continuing thereafter.

[Read More](#)

7. NCLAT, New Delhi Bench expounds: TDS deduction does not extend the limitation period

The NCLAT, New Delhi Bench opined that the TDS deduction cannot give any extension to the limitation period.

It was further ruled that even if no defence of limitation was raised, the application barred due to time has to be rejected.

[Read More](#)

C. MINISTRY OF CORPORATE AFFAIRS (MCA)

1. NCLAT, New Delhi expounds: For restoring the name of the company, it is to be satisfied that the company is running as on the date of striking off.

The NCLAT, New Delhi Bench expounded that if the NCLT exercises jurisdiction under Section 252(3) of the Companies Act, 2013 then the Appellant has to satisfy that the Company was running and carrying business operations as on the date of striking off the name of the company.

Further, it was ruled that the NCLT had failed to give any reason for imposing such an exemplary cost on restoring the name of the company with the Registrar of Companies ("ROC") and hence, the matter was remitted back to the NCLT for proper adjudication.

[Read More](#)

2. Supreme Court rules: Secured creditors take precedence over the customs authorities

The Hon'ble Supreme Court observed that as per Section 456 of the Companies Act, the property and effects of a Company are deemed to be in the custody of the Tribunal/ Court from the date of the order of the winding up. The Bench held that the Customs Act nowhere created any statutory first charge to override the general law of priority. It was ruled that the provisions in the Customs Act do not, in any manner, negate or override the statutory preference in terms of Section 529A of the Companies Act, which treats the secured creditors and the workmen's dues as overriding preferential creditors.

The Top Court explicitly stated that the prior secured creditors are entitled to enforce their charge, notwithstanding the government dues payable under the Customs Act.

[Read More](#)

.....

.....

3. Clarification on the holding of Annual General Meeting (AGM) and EGM through Video Conference or other audio-visual means (OAVM) and passing of the Ordinary and Special Resolutions by the companies under the Companies Act, 2013 read with Rules made thereunder

.....

It has been decided to permit companies whose AGMs, and EGMs are due in 2023 or 2024, to conduct the same through VC or OAVM on or before September 30th, 2024.

However, it is clarified that this shall not apply to the companies which have not adhered to the relevant statutory timelines as provided under the Companies Act, 2013.

[Read More](#)

4. Constitution of the Company Law Committee

.....

The tenure of the Company Law Committee has been extended till 1 year i.e., till 16.09.2024.

The Company Law Committee was formed in 2019 to promote ease of doing business to law-abiding corporates, to foster improved corporate compliance for stakeholders at large and to review the offence at the Companies Act, 2013.

[Read More](#)

D. RESERVE BANK OF INDIA (RBI)

1. Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans

As per the guidelines of the Fair Practices Code, 2003, Regulated Entities (REs) are required to release all movable/ immovable property documents after receiving full repayment and closure of the loan account. However, it was observed that the REs are following different practices in the release of such movable/immovable property documents, which causes customer grievances and disputes.

Therefore, to address the same, the following directions are issued:

- a. The REs shall release all the original movable/ immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.
- b. in case of delay after 30 days, the reason has to be communicated to the borrower.
- c. The loan sanction letters shall contain the timeline and place of return of original movable/immovable property documents.
- d. The following directions will apply to cases where the release of original movable/immovable property documents falls due on or after December 01, 2023.

[Read More](#)

2. ₹2000 Denomination Banknotes – Withdrawal from Circulation – Review

RBI has decided to extend the time for deposit/exchange of ₹2000 banknotes until October 07, 2023.

From October 8, 2023, banks shall stop accepting 2000 banknotes for credit to accounts or exchange to other denomination banknotes.

[Read More](#)

3. Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023

RBI has issued directions titled Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023.

The directions will be applicable from April 01, 2024.

The directions will apply to All India Financial Institutions (AIFIs), Export-Import Bank of India (EXIM Bank), the National Bank for Agriculture and Rural Development (NABARD), the National Bank for Financing Infrastructure and Development (NaBFID), the National Housing Bank (NHB) and the Small Industries Development Bank of India (SIDBI).

[Read More](#)

E. REAL ESTATE REGULATORY AUTHORITY (RERA)

1. Introduction of MahaRERA Grading Matrix for Real Estate Projects

The Maharashtra Real Estate Regulatory Authority ("MahaRERA") prepared a consultation paper on "Framework for Grading of Real Estate Projects in Maharashtra" and invited suggestions from stakeholders on the proposal vide notice dated June 16, 2023.

After incorporating feedback, the following has been decided:

- a. The MahaRERA Grading Matrix for Real Estate Projects will be introduced in a phased manner.
- b. The goal of 1st phase would be to objectively list the real estate project information so that it is easier for homebuyers to compare different real estate projects and make informed decisions.
- c. The real estate projects registered post-January 2023 shall be eligible for the grading matrix.
- d. The matrix will be generated every 6 months of the financial year and the first one will begin from October 1, 2023, to March 2024.

[Read More](#)

F. SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

1. Mandating additional disclosures by Foreign Portfolio Investors (FPIs) that fulfil certain objective criteria

It was observed that certain FPIs hold a concentrated portion of their equity portfolio in a single company and it could lead to a likelihood that the promoters of such investee companies could be using the FPI route to circumvent regulatory requirements such as that of disclosures under Substantial Acquisition of Shares and Takeovers Regulations, 2011.

Thereafter, the Government of India issued a press note directing the entity of a country that shares a land border with India, or where the Beneficial Owner (BO) of an investment into India is situated in or is a citizen of any such country, to invest only under the Government route. The said note was not applicable to FPI investments.

It was often observed that no natural person is identified as the BO of several FPIs based on economic interest or ownership, therefore to mitigate the possibility of the same natural person holding a significant aggregate economic interest in the FPI, it was decided to insert Regulation 22(6) and 22(7) in the SEBI (FPI) Regulations, 2019.

The following has now been specified by SEBI:

- i. Granular details of all entities holding any ownership, economic interest, or exercising control in the FPI, on a full look-through basis, up to the level of all natural persons, without any threshold, shall be provided by FPIs that fulfil any of the criteria mentioned below to the respective DDPs in the format specified in the above referred SOP
 - a. FPIs holding more than 50% of their Indian equity Assets Under Management in a single Indian corporate group;
 - b. FPIs that individually, or along with their investor group (in terms of Regulation 22(3) of the FPI Regulations), hold more than INR 25,000 crore of equity AUM in the Indian markets.
- ii. FPIs satisfying any of the criteria listed below shall not be required to make the disclosures as specified in Para 7 above:
 - a. Government and Government investors registered as FPIs under Regulation 5 (a)(i) of the FPI Regulations.
 - b. Public Retail Funds ('PRFs') as defined under

Regulation 22(4) of the FPI Regulations, subject to independent validation of the same by DDP/Custodians.

- iii. Disclosures made as per this circular shall be considered material information in terms of Regulation 22(1)(c) of the FPI Regulations till the time the FPI's holdings are in excess of the prescribed thresholds.

The circular will come into effect from November 01, 2023.

[Read More](#)

2. Modification in Cyber Security and Cyber Resilience framework of Stock Exchanges, Clearing Corporations and Depositories

The SEBI has made modifications to Clause 3 of the SEBI Circular dated May 20, 2022. The modified Clause is as follows:

MIIs are mandated to conduct comprehensive cyber audits at least 2 times in a financial year. Along with cyber audit reports, henceforth, MIIs are directed to submit a declaration from the MD/CEO certifying that:

- i. Comprehensive measures and processes including suitable incentive/disincentive structures, have been put in place for identification/detection and closure of vulnerabilities in the organization's IT systems.
- ii. Adequate resources have been hired for staffing their Security Operations Center (SOC).
- iii. There is compliance by the MII with all SEBI circulars and advisories related to cyber security.

The MIIs are directed to communicate the status of implementation within 30 days from the date of the circular. The circular will come into effect immediately.

[Read More](#)

3. SEBI initiates third tranche of distribution of disgorged/recovered amount to investors in the matter of IPO irregularities

After noticing irregularities in the shares issued through IPOs during 2003-2005, SEBI directed certain persons to disgorge the illegal gains. A committee was set up and recommendations were given on the procedure of identification of persons who have been deprived in the said IPOs and the manner in which reallocation of shares to such persons should take place.

13.57 lakh persons had been identified as eligible investors for distribution. SEBI has already distributed Rs. 23.28 crore in April 2010 and Rs. 18.06 crore in December 2015. 10,01,890 investors out of the said 13.57 lakh investors were paid the full eligible amount and 97,657 investors were excluded due to the costs involved.

A third tranche has been initiated to distribute Rs. 14.87 crore to 2.58 investors.

The amount is credited to the bank account if the information is not available, otherwise, payment warrants are being sent to the last known address of the investors.

[Read More](#)

4. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2023

SEBI has amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The key amendments are:

- a. Insertion of Regulation 62A titled “Listing of subsequent issuances of non-convertible debt securities”
- 62A.(1) A listed entity, whose non-convertible debt securities are listed shall list all non-convertible debt securities, proposed to be issued on or after January 1, 2024, on the stock exchange(s).
- (2) A listed entity, whose subsequent issues of unlisted non-convertible debt securities made on or before December 31, 2023, are outstanding on the said date, may list such securities, on the stock exchange(s).
- (3) A listed entity that proposes to list the non-convertible debt securities on the stock exchange(s) on or after January 1, 2024, shall list all outstanding unlisted non-convertible debt securities previously issued on or after January 1, 2024, on the stock exchange (s) within three months from the date of the listing of the non-convertible

debt securities proposed to be listed.

- (4) Notwithstanding anything contained in this regulation, no listed entity shall be required to list the following securities:
- (i) Bonds issued under section 54EC of the Income Tax Act, 1961 (43 of 1961);
 - (ii) Non-convertible debt securities issued pursuant to an agreement entered into between the listed entity of such securities and multilateral institutions;
 - (iii) Non-convertible debt securities issued pursuant to an order of any court or Tribunal or regulatory requirement as stipulated by a financial sector regulator namely, the Board, Reserve Bank of India, Insurance Regulatory and Development Authority of India or the Pension Fund and Regulatory Development Authority.
- (5) The securities issued by the listed entity under clauses (ii) and (iii) of subregulation (4) shall be locked in and held till maturity by the investors and shall be encumbered.
- (6) A listed entity proposing to issue securities under sub-regulation (4) shall disclose to the stock exchanges on which its non-convertible debt securities are listed, all the key terms of such securities, including embedded options, security offered, interest rates, charges, commissions, premium (by any name called), period of maturity and such other details as may be required to be disclosed by the Board from time to time”.

[Read More](#)

.....

5. New format of Abridged Prospectus for public issues of Non-Convertible Debt Securities and/ or Non-convertible Redeemable Preference Shares

.....

To simplify and provide clarity and consistency in the disclosures and to provide critical information in the abridged prospectus, the format for disclosures in the abridged Prospectus has been revised and is placed in Annex-I of the Circular.

The said circular is applicable for all public issues opening or after October 01, 2023.

Further, the issuer/ Merchant Bankers are directed to insert a Quick Response (QR) code on the last page of the Abridged Prospectus that would lead to the Prospectus.

[Read More](#)

.....

6. Mechanism for Sharing of Information by Credit Rating Agencies (CRAs) to Debenture Trustees (DTs)

.....

As per the SEBI (Credit Rating Agencies) Regulations, 1999, CRAs are required to share certain information with the DTs.

It is critical for the information/data to be structured and submitted in a set format so as to make its accessibility easier.

Therefore, an Excel template is shared as an Annexure in the circular.

The circular will be applicable w.e.f. October 01, 2023.

[Read More](#)

.....

7. Clarification regarding investment of Mutual Fund schemes in units of Corporate Debt Market Development Fund

.....

The Association of Mutual Funds in India (AMFI) has requested to consider the base as a net asset excluding investment in units of Corporate Debt Market Development Fund (CDMDF) in the calculation of asset allocation limits.

Therefore, SEBI has clarified that investment in units of CDMDF shall be excluded from the base of net assets for calculation of asset allocation limits of mutual fund schemes in terms of Part IV of Chapter 2 on 'Categorization and Rationalization of Mutual Fund Schemes' of Master Circular for Mutual Funds dated May 19, 2023.

[Read More](#)

8. Board nomination rights to unitholders of Infrastructure Investment Trusts (InvITs)

In lieu of Regulation 4(2)(h) of SEBI (Infrastructure Investment Trusts) Regulations, 2014, the unitholders holding not less than 10% of the total outstanding units of the InvIT, shall be entitled to nominate one director of the Investment Manager.

Therefore, the framework to exercise board nomination rights by the Eligible Unitholders has been specified in Annexure A of the circular.

The said circular will come into force with immediate effect.

[Read More](#)

9. Board nomination rights to unitholders of Real Estate Investment Trusts (REITs)

In lieu of Regulation 4(2)(g) of SEBI (Infrastructure Investment Trusts) Regulations, 2014, the unitholders holding not less than 10% of the total outstanding units of the REIT, shall be entitled to nominate one director of the Investment Manager.

Therefore, the framework to exercise board nomination rights by the Eligible Unitholders has been specified in Annexure A of the circular.

The said circular will come into force with immediate effect.

[Read More](#)

10. Regulatory Reporting by AIFs

Alternative Investment Funds (AIFs) are required to submit quarterly reports to SEBI in the formats specified with respect to the activities carried on by the AIFs.

To enable a uniform compliance standard, a revised format has been prepared which will be hosted by the AIF associations on their website within 2 days from issuance of this circular.

The report for the quarter ending September 30, 2023, shall be submitted in the revised format by November 15, 2023.

[Read More](#)

11. Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to the Online Dispute Resolution platform

The process of investor grievances redressal on SCORES is currently governed by the Master Circular dated November 07, 2022.

To strengthen the investor grievance handling mechanism, SEBI has revised the framework for handling the complaints received through the SCORES platform for entities as specified in Annexure I to this circular.

The Entities are now required to submit an Action Taken Report within 21 days from the date of receipt of the Complaint.

Now, the November 07, 2022 circular stands rescinded w.e.f. December 04, 2023.

[Read More](#)

**EXCLUSIVE ALLIANCE PARTNERS - R&P PARTNERS and A.R. GUPTA & ASSOCIATES, AHMEDABAD
CHENNAI | COIMBATORE | HYDERABAD | MADURAI | KOCHI | TRIVANDRUM**

www.sngpartners.in

DELHI

R-26, Ground Floor,
South Extension Part II,
New Delhi - 110 049
+91 11 46175500

One Bazar Lane,
Bengali Market,
New Delhi - 110 001
+91 11 43582000

13 Babar Road,
Bengali Market,
New Delhi - 110001
+91 11 43011624

BENGALURU

2nd Floor, 15/7, Saraf Towers,
Primrose Road, Off M G Road,
Ashoka Nagar,
Bengaluru 560001
+91 80 46675151

MUMBAI

9th Floor, Nehru Centre,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018
+91 22 69215151

96, Free Press House,
Nariman Point,
Mumbai - 400 021
+91 22 68255151

SINGAPORE

3 Church Street
#25-01 Samsung Hub
Singapore - 049 483
+65 93833585