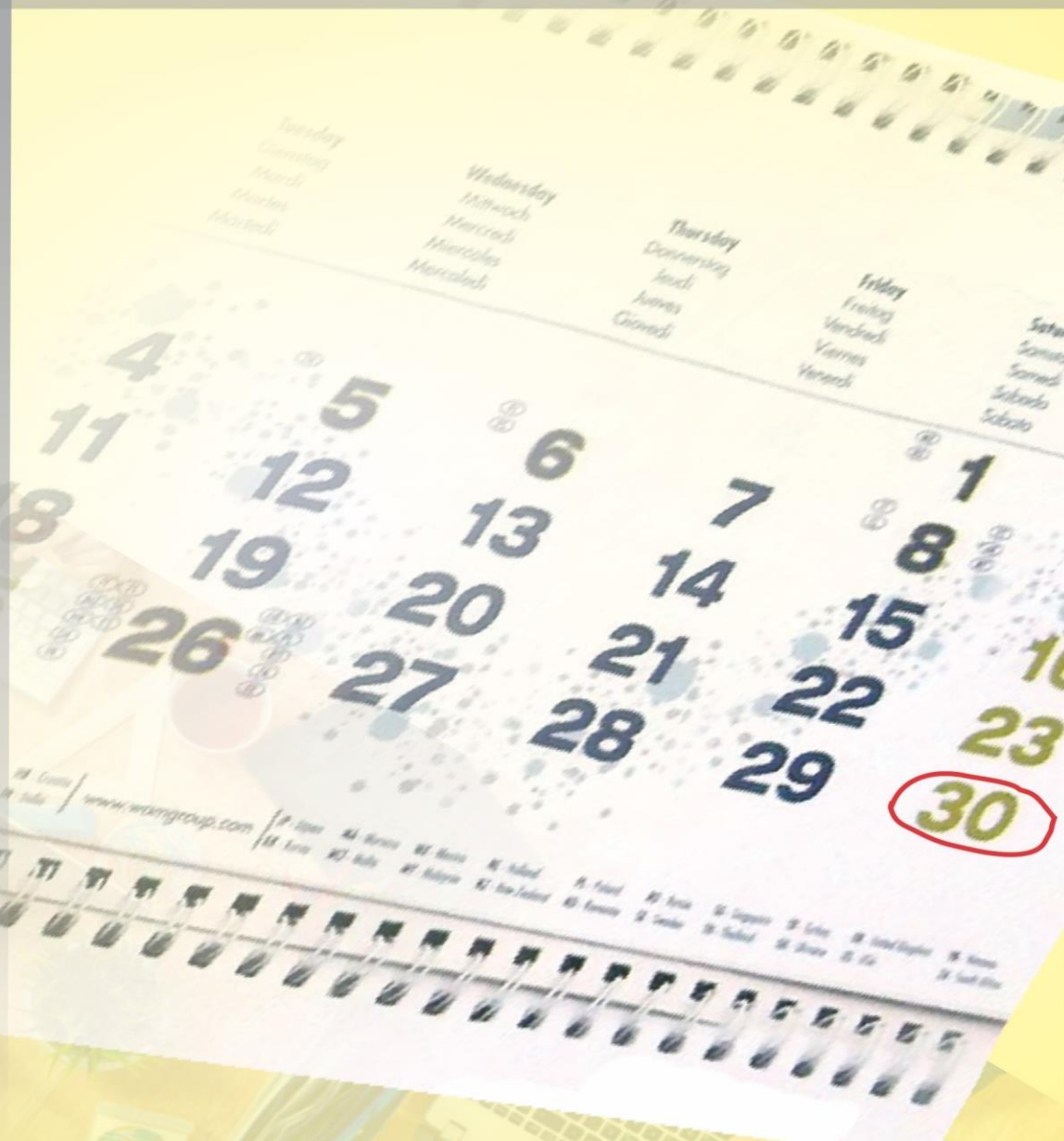


NOVEMBER 2021

# NEWSLETTER

## REGULATORY

- RBI
- SEBI
- MCA



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**1. Reserve Bank - Integrated Ombudsman Scheme, 2021**

Ref. CEPD. PRD. No.S873/13.01.001/2021-22

Dated: 12<sup>th</sup> November, 2021

Vide this Notification, RBI has integrated the three Ombudsman schemes –

- (i) the Banking Ombudsman Scheme, 2006, as amended up to July 01, 2017;
- (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and
- (iii) the Ombudsman Scheme for Digital Transactions, 2019 into the

Reserve Bank – Integrated Ombudsman Scheme, 2021 (the Scheme).

The Scheme covers the following regulated entities:

- i. All Commercial Banks, Regional Rural Banks, Scheduled Primary (Urban) Cooperative Banks and Non-Scheduled Primary (Urban) Co-operative Banks with deposits size of Rupees 50 crore and above as on the date of the audited balance sheet of the previous financial year.
- ii. All Non-Banking Financial Companies (excluding Housing Finance Companies) which (a) are authorised to accept deposits; or (b) have customer interface, with an assets size of Rupees 100 crore and above as on the date of the audited balance sheet of the previous financial year.
- iii. All System Participants as defined under the Scheme.

The format for filing a complaint under the Scheme is provided in the Annexure to the Notification.

[Notification](#)

**2. Appointment of Internal Ombudsman by Non-Banking Financial Companies**

RBI/2021-2022/126CO.CEPD.PRS.No.S874/13-01-008/2021-2022

Dated: 15<sup>th</sup> November, 2021

RBI has directed all NBFCs registered under Section 45-IA of the RBI Act, 1934, fulfilling the criteria given below, to appoint an Internal Ombudsman (IO).

**A. Criteria for Appointment:**

- a) Deposit-taking NBFCs (NBFCs-D) with 10 or more branches.
- b) Non-Deposit taking NBFCs (NBFCs-ND) with asset size of Rs.5,000 crore and above and having public customer interface.

**B. The following type of NBFC have been excluded from the applicability of this provision:**

- a) Stand-alone Primary Dealer;
- b) Non-Banking Financial Company - Infrastructure Finance Company (NBFC-IFC);
- c) Core Investment Company (CIC);
- d) Infrastructure Debt Fund - Non-Banking Financial Company (IDF-NBFC);
- e) Non-Banking Financial Company – Account Aggregator (NBFC-AA);
- f) NBFC under Corporate Insolvency Resolution Process;
- g) NBFC in liquidation;
- h) NBFC having only captive customers.

**C. Applicability- Time lines:**

- a) NBFC fulfilling the criteria (Point A above): within six months
- b) NBFC fulfilling the criteria post issue of this direction and NBFC commencing operations after the issue of this direction – within six months of attaining the specified criteria, as may be applicable.

[Notification](#)

## **SEBI**

### **1. Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination**

Circular No.: SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655

Dated: 3<sup>rd</sup> November 2021

*Effective Date: 1<sup>st</sup> January 2022*

SEBI, vide this Circular, has made the following norms applicable for ease of doing business for investors in the securities market:

- i. Common and simplified norms for processing any service request from the holder, pertaining to the captioned items, by the RTAs
- ii. Electronic interface for processing investor's queries, complaints and service request
- iii. Mandatory furnishing of PAN, KYC details and nomination by holders of physical securities
- iv. Freezing of folios without valid PAN, KYC details and nomination
- v. Compulsory linking of PAN and Aadhaar by all holders of physical securities
- vi. Intimation to securities holders

Further, RTAs shall be required to provide a certificate of compliance from a practicing Company Secretary, within 45 days of this circular, certifying the changes carried out, systems put in place / new operating procedures implemented etc. to comply with the provisions of this circular.

[Circular](#)

### **2. Write-off of debt securities held by FPIs who intend to surrender their registration**

Circular No.: SEBI/ HO/ FPI&C/ P/ CIR/ 2021/ 656

Dated 8<sup>th</sup> November, 2021

SEBI, vide Circular No. IMD/FPI&C/CIR/P/2019/124 dated November 05, 2019, read with Circular No. SEBI/HO/IMD/FPI&C/CIR/P/2020/177 dated September 21, 2020, had permitted Foreign Portfolio Investors (FPIs) who wish to surrender their registration, to write-off all shares in their beneficiary account which they were unable to sell for any reason.

Vide this Circular, SEBI has decided to permit the FPIs to also write-off all debt securities in their beneficiary account which they are unable to sell for any reason. This shall be applicable only to such FPIs who wish to surrender their registration.

[Circular](#)

### **3. Securities and Exchange Board of India (Alternative Investment Funds) (Fifth Amendment) Regulations, 2021**

SEBI/LAD-NRO/GN/2021/57

Dated 9<sup>th</sup> November, 2021

Vide this Circular, SEBI has amended the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

Following is the gist of the amendments:

#### **1. After clause (f) of sub-regulation (1) of regulation 2, the following clause has been inserted , -**

*(fa) "Co-investment" means investment made by a Manager or Sponsor or investor of Category I and II Alternative Investment Fund(s) in investee companies where such Category I or Category II Alternative Investment Fund(s) make investment:*

*Provided that Co-investment by investors of Alternative Investment Fund shall be through a Co-investment Portfolio Manager as specified under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020;*

**2. In Regulation 15 pertaining to General Investment Conditions, clause (b) and (d) has been substituted with the following :**

*“(b) The terms of Co-investment in an investee company by a Manager or Sponsor or co-investor, shall not be more favourable than the terms of investment of the Alternative Investment Fund:*

*Provided that the terms of exit from the Co-investment in an investee company including the timing of exit shall be identical to the terms applicable to that of exit of the Alternative Investment Fund:*

*Provided further that the above proviso shall be applicable only for co-investment made from the date of coming into force of this regulation;”*

*“(d) Category III Alternative Investment Funds shall invest not more than ten per cent of the net asset value in listed equity of an Investee Company and shall invest not more than ten per cent of the investable funds in securities other than listed equity of an Investee Company, directly or through investment in units of other Alternative Investment Funds:*

*Provided that large value funds for accredited investors of Category III Alternative Investment Funds may invest up to twenty per cent of the net asset value in listed equity of an Investee Company and may invest up to twenty per cent of the investable funds in securities other than listed equity of an Investee Company, directly or through investment in units of other Alternative Investment Funds;”*

**3. After sub-regulation (14) of regulation 20 pertaining to General Obligations, the following new sub-regulation has been inserted, namely:**

*“(15) The manager shall not provide advisory services to any investor other than the clients of Co-investment Portfolio Manager as specified in the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, for investment in securities of investee companies where the Alternative Investment Fund managed by it makes investment.”*

[Regulation](#)

**4. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021**

SEBI/LAD-NRO/GN/2021/55

Dated 9<sup>th</sup> November, 2021

*Effective Date: 1<sup>st</sup> April, 2022*

Vide this Circular, SEBI has amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Following is a gist of the amendments:

**1. In Regulation 23 pertaining to Related Party Transactions:**

a. In sub-regulation (1), the existing Explanation has been substituted with the following, -

*“Provided that a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.”*

b. Sub-regulation (2) has been modified as below:

*“All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the listed entity”*

c. After the existing proviso, the following has been inserted, namely, -

*“Provided further that:*

*(a) the audit committee of a listed entity shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions.*

*(b) a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity.*

*(c) with effect from April 1, 2023, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.*

*(d) prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.*

*Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the audit committee of the listed subsidiary shall suffice.”*

d. In sub-regulation (4), before the existing proviso, the following has been inserted, namely, -

*“Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.*

*Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.”*

e. In sub-regulation (4), in the existing proviso, the word “further” has been inserted after the word “Provided”.

f. In sub-regulation (5), after clause (b), the following new clause has been inserted, namely, -

*“(c) transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.”*

g. Sub-regulation (7) pertaining to vote to approve the relevant transaction has been omitted.

h. Sub-regulation (9) has been substituted with the following, namely, -

*“(9) The listed entity shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website:*

*Provided that a ‘high value debt listed entity’ shall submit such disclosures along with its standalone financial results for the half year:*

*Provided further that the listed entity shall make such disclosures every six months within fifteen days from the date of publication of its standalone and consolidated financial results:*

*Provided further that the listed entity shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023.”*

**2. Amendments in Schedule II perta1:** Point 2 in Para B of Part C pertaining to statement of significant related party transactions (as defined by the audit committee), submitted by management, has been omitted.

### **3. Amendments in Schedule V pertaining to Annual Report:**

a. Point 1 of Para A has been modified as: *“The listed entity which has listed its non-convertible securities shall make disclosures in compliance with the Accounting Standard on “Related Party Disclosures”*

b. Point 3 in Para A, has been substituted with the following, namely, - *“The above disclosures shall not be applicable to listed banks.”*

c. In Point 10 of Para C, after clause (l), the following new clause shall be inserted, namely, -

*“(m) disclosure by listed entity and its subsidiaries of ‘Loans and advances in the nature of loans to firms/companies in*



*which directors are interested by name and amount’:*

*Provided that this requirement shall be applicable to all listed entities except for listed banks.”*

## Regulation

### **5. Securities and Exchange Board of India (Mutual Funds) (Third Amendment) Regulations, 2021**

SEBI/LAD-NRO/GN/2021/56

Dated 9<sup>th</sup> November, 2021

Vide this Circular, SEBI has amended the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Following is the gist of the amendments:

**1. In Regulation 2 pertaining to definitions**, clause (q) for Mutual Fund has been modified and new clauses (wa) for silver exchange traded fund scheme and clause (wb) for silver related instrument have been inserted.

**2. Clause (g) of regulation 7 pertaining to eligibility criteria** has been substituted with following clause, namely,

*“(g) appointment of custodian in order to keep custody of the securities or goods or gold or gold related instruments or silver or silver related instruments or other assets of the mutual fund held in terms of these regulations, and provide such other custodial services as may be authorised by the trustees.”*

**3. In Regulation 26 pertaining to appointment of custodian**, after the first proviso, the following proviso shall be inserted, namely:

*“Provided further that in case of a silver exchange traded fund scheme, the assets of the scheme being silver or silver related instruments may be kept in the custody of a custodian registered with the Board.”*

**4. In Regulation 43 pertaining to investment objective:**

i. in sub-regulation (1), the following clause has been inserted, namely, –

*“(ea) silver or silver related instruments”*

ii. after sub-regulation (5), the following sub-regulation has been inserted, namely, –

*“(6) Moneys collected under any silver exchange traded fund scheme shall be invested only in silver or silver related instruments, in accordance with sub-regulation (6) of regulation 44.”*

**5. In Regulation 44 pertaining to Investment, borrowing, restriction, etc.:**

i. in proviso to sub-regulation (1), after the words “gold exchange traded fund scheme”, the words, “and silver exchange traded fund scheme” has been inserted.

ii. after sub-regulation (5), the following sub-regulation has been inserted, namely, –

*“(6) A silver exchange traded fund scheme shall be subject to the following investment restrictions:*

*(a) the funds of any such scheme shall be invested only in silver or silver related instruments in accordance with its investment objective, except to the extent necessary to meet the liquidity requirements for honouring repurchases or redemptions, as disclosed in the offer document; and*

*(b) pending deployment of funds in accordance with clause (a), the mutual fund may invest such funds in short-term deposits of scheduled commercial banks.”*

**6. In Regulation 52 pertaining to limitation on fees and expenses on issue of schemes**, the following sub-clause shall be inserted, namely, –

*“(xiiaa) in case of a silver exchange traded fund scheme, recurring expenses incurred towards storage and handling of silver;”*

**7. In Eighth Schedule pertaining to Investment valuation norms**, after Para 3A, a new Para 3B for “Value of Silver” has been inserted.

**6. Securities and Exchange Board of India (Portfolio Managers) (Fourth Amendment) Regulations, 2021**

No. SEBI/LAD-NRO/GN/2021/58

Dated 9<sup>th</sup> November, 2021

Vide this circular, SEBI has amended the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.

Following is the gist of the amendments:

**1. In Regulation 2 pertaining to definitions,** the following new clauses have been inserted:

- i. Clause (ac) for Alternative Investment Fund
- ii. Clause (fa) for Co-investment Portfolio Manager
- iii. Clause (lb) for Investee Company
- iv. Clause (lc) for Manager
- v. Clause (r) for Sponsor

**2. In sub-regulation (2) of regulation 7 pertaining to consideration of application:**

i. In sub-clause (iii) of clause (d), after third proviso the following proviso has been inserted:

*“Provided further that the Co-investment Portfolio Manager may designate a member of the Key Investment Team of the Manager as the Principal officer who fulfils either of the criteria specified in clause (g) of regulation 4 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, and in that case the requirement under clause (d) shall not apply to the Principal officer so appointed;”*

ii. In sub-clause (ii) of clause (e), after the second proviso, the following proviso has been inserted, namely,—

*“Provided further that the requirement under clause(e) above shall not apply to Co-investment Portfolio Manager”*

iii. In clause (g), following proviso has been inserted, namely,—

*“Provided that the requirement under clause(g) shall not apply to the Co-investment Portfolio Manager”*

**3. In Regulation 9 pertaining to net worth requirement:** after the second proviso, the following proviso has been inserted, namely,—

*“Provided further that the requirement under this regulation shall not apply to the Co-investment Portfolio Manager”.*

**4. In Regulation 11 pertaining to Conditions of registration:** the following proviso has been inserted, namely,—

*“Provided that the requirement under clause (e) shall not apply to Co-investment Portfolio Manager.”*

**5. In Regulation 22 pertaining to Contract with clients and disclosures:** in sub-regulation (2), the following provisos have been inserted, namely,—

*“Provided that in case of the Co-investment Portfolio Manager, the terms of co-investment in an investee company by a co-investor, shall not be more favourable than the terms of investment of the Alternative Investment Fund:*

*Provided further that in case of the Co-investment Portfolio Manager, the terms of exit from the Co-investment in an investee company including the timing of exit shall be identical to the terms applicable to that of exit of the Alternative Investment Fund:*

*Provided further that in case of the Co-investment Portfolio Manager, the early withdrawal of funds by the co-investors with respect to Co-investment in investee companies shall be allowed to the extent that the Alternative Investment Fund has also made an exit from respective investment in such investee companies.”*

**6. In Regulation 23 pertaining to General responsibilities of a Portfolio Manager:** in sub-regulation (2), after the second proviso, the following proviso has been inserted, namely,—

*“Provided further that the requirement of minimum investment amount per client shall not apply to the Co-investment Portfolio Manager.”*

**7. In Regulation 24 pertaining to Management or administration of clients' portfolio:**

i. after clause (b), following proviso has been inserted, namely,—

*“Provided that the requirement under clause (b) shall not apply to the Co-investment Portfolio Manager.”*

ii. after sub-regulation (4A), the following sub-regulation shall be inserted, namely,-

*“(4B) The Co-investment Portfolio Manager shall invest hundred percent of the assets under management in unlisted securities of investee companies where Category I and Category II Alternative Investment Funds managed by it as Manager, make investment;”*

8. **FORM A of SCHEDULE 1** pertaining to Application for grant of certificate of registration has been modified.

[Regulation](#)

## 7. Scheme of Arrangement by Listed Entities

Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2021/0000000657

Dated 16<sup>th</sup> November, 2021

SEBI, vide Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 dated December 22, 2020, had laid down the framework for Schemes of Arrangement by listed entities.

Vide this Circular, SEBI has decided to provide further clarifications on the processing of draft schemes filed with the stock exchanges, and make certain amendments to the aforesaid Circular dated December 22, 2020, as provided in the Annexure to this Circular. These amendments are aimed at ensuring that the recognized stock exchanges refer draft schemes to SEBI only upon being fully convinced that the listed entity is in compliance with SEBI Act, Rules, Regulations and circulars issued thereunder.

**Applicability:** This Circular shall be applicable for all the schemes filed with the stock exchanges from the date of the Circular.

[Circular](#)

## 8. Framework for Regulatory Sandbox

Circular No.: SEBI/HO/MIRSD/MIRSD\_IT/P/CIR/2021/0000000658

Dated 16<sup>th</sup> November, 2021

SEBI vide Circular No. SEBI/HO/ITD/ITD/CIR/P/2021/575 dated June 14, 2021 had provided the updated guidelines pertaining to the functioning of the Regulatory Sandbox (-Standard Operating Procedure –Regulatory Sandbox).

Vide this Circular, SEBI has modified Para 6 of SOP as under:

**APPLICATION AND APPROVAL PROCESS:** The applicant shall ensure that the specified eligibility criteria are satisfied while submitting the application as per Annexure -1 to SEBI. The application form shall be signed by the Chief Executive Officer (CEO) of the applicant or officer duly authorized by the CEO or compliance officer. The complete application must be submitted to CGM Market Intermediaries Regulation and Supervision Department-2, SEBI.

[Circular](#)

## 9. Securities and Exchange Board of India (Intermediaries) (Third Amendment) Regulations, 2021

No. SEBI/LAD-NRO/GN/2021/59

Dated 17<sup>th</sup> November, 2021

Vide this Circular, SEBI has amended the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

Amendment has been made to substitute Schedule II pertaining to Eligibility Criteria of Intermediaries with new Schedule II.



## [Regulation](#)

### **10. Addendum to SEBI Circular dated November 16, 2021 relating to Schemes of Arrangement by Listed Entities**

Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2021/0000000659

Dated 18<sup>th</sup> November, 2021

SEBI, vide Circular No. SEBI/HO/CFD/DIL2/CIR/0/2021 dated November 16, 2021, had notified changes to the Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020. In this regard, an addendum to the aforesaid Circular dated November 16, 2021 is placed at Annexure 1.

**Applicability:** This Circular shall be applicable for all the schemes filed with the stock exchanges from the date of the Circular.

## [Circular](#)

### **11. Clarifications regarding amendment to SEBI (Alternative Investment Funds) Regulations, 2012**

Circular No.: SEBI/HO/IMD/IMD-I/DOF6/P/CIR/2021/663

Dated 22<sup>nd</sup> November, 2021

Vide notification dated November 09, 2021, SEBI had amended Regulation 15(1)(d) of the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations") to allow Category III AIFs, including any large value funds for accredited investors of Category III AIFs, to calculate the concentration norm based on Net Asset Value (NAV) of the fund for investment in listed equity of an investee company.

Vide this Circular, SEBI has specified the below in respect of the above amendment:

(i) The limit for investment in listed equity shall be calculated based on the NAV of the fund on the business day immediately preceding the date on which the Category III AIF makes such investment.

(ii) NAV of the AIF shall be the sum of value of all securities adjusted for mark to market gains/losses (including cash and cash equivalents). The NAV shall exclude any funds borrowed by the AIF.

(iii) Passive breach of concentration norm, i.e. when the market value of the investment of Category III AIF in listed equity of an investee company exceeds the investment limit as prescribed under Regulation 15(1)(d) of AIF Regulations, shall be rectified within 30 days from the date of the breach.

Further, Regulation 2(1)(fa) had been inserted in AIF Regulations vide the aforesaid amendment to AIF Regulations to state the definition of "Co-investment".

Vide this Circular, SEBI has further specified that the requirement of appointment of custodian, as provided under Regulation 20(11) of AIF Regulations, shall be applicable if the sum of corpus of the AIF and the value of the Co-investment managed by the Manager of the AIF as Co-investment Portfolio Manager is more than five hundred crore rupees.

## [Circular](#)

### **12. Disclosure obligations of listed entities in relation to Related Party Transactions**

Circular No.: SEBI/HO/CFD/CMD1/CIR/P/2021/662

Dated 22<sup>nd</sup> November, 2021

*Effective Date: 1<sup>st</sup> April 2022*

Vide notification dated November 09, 2021, SEBI had amended Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ('LODR Regulations'), for mandating listed entities that have listed specified securities to submit to the stock exchanges disclosure of Related Party Transactions (RPTs) in the format specified by the Board from time to time.

Vide this Circular, SEBI has decided to prescribe the information to be placed before the audit committee and the shareholders for consideration of RPTs.

Accordingly, the following provisions shall apply to entities that have listed specified securities on a Recognized Stock Exchange:

**A. Information to be reviewed by the Audit Committee for approval of RPTs:** The listed entity shall provide the following information, for review of the audit committee for approval of a proposed RPT:

- a. Type, material terms and particulars of the proposed transaction
- b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)
- c. Tenure of the proposed transaction(particular tenure shall be specified)
- d. Value of the proposed transaction
- e. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction(and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)
- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: (i) details of the source of funds in connection with the proposed transaction (ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured, if secured, the nature of security and (iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- g. Justification as to why the RPT is in the interest of the listed entity
- h. A copy of the valuation or other external party report, if any such report has been relied upon
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis
- j. Any other information that may be relevant

Further, the audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

**B. Information to be provided to shareholders for consideration of RPTs:** SEBI has sent the notice to the shareholders seeking approval for any proposed RPT that they shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- a. A summary of the information provided by the management of the listed entity to the audit committee as specified in point A above;
- b. Justification for why the proposed transaction is in the interest of the listed entity.
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point A(f) above; (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)
- d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders.
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.
- f. Any other information that may be relevant.

**C. Format for reporting of RPTs to the Stock Exchange:** The listed entity shall make RPT disclosures in every six months in the format provided at Annex.

[Circular](#)

### **13. Non-compliance with certain provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018**

Circular No.: SEBI/HO/CFD/DIL1/P/CIR/2021/0660  
Dated 23<sup>rd</sup> November, 2021

Earlier, SEBI had, vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated August 19, 2019, specified the fines to

be imposed by the Stock Exchanges for non-compliance with certain provisions of SEBI (ICDR) Regulations, 2018.

Vide this Circular, SEBI, in partial modification of the above-mentioned circular, has inserted para 9A after para 9 as below:

*“9A. The Stock Exchanges may deviate from the provisions of the circular, wherever the interest of the investors are not adversely affected, if found necessary, only after recording reasons in writing.”*

Further, the aforesaid para shall always be construed to be the part of the original circular.

[Circular](#)

#### **14. Master Circular on Scheme of Arrangement**

SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665

Dated 23<sup>rd</sup> November, 2021

This Master Circular is a compilation of relevant and updated circulars issued by SEBI which deal with schemes of arrangement and which are operational as on date of this circular.

A list of SEBI circulars compiled in this Master Circular is given in Appendix at the end of this Master Circular.

Further, in case of any inconsistency between the Master Circular and the applicable circulars, the content of the relevant circular shall prevail.

[Master Circular](#)

#### **15. Publishing Investor Charter and Disclosure of Complaints by Merchant Bankers on their Websites**

Circular No.: SEBI/HO/CFD/DCR2/P/CIR/2021/0661

Dated 23<sup>rd</sup> November, 2021

*Effective Date: 1<sup>st</sup> January, 2022*

SEBI, in consultation with the Merchant Bankers, has developed an Investor Charter to provide investors an idea about the various activities pertaining to primary market issuances as well as exit options like Takeovers, Buybacks or Delisting. This charter is a brief document containing different services to the investors at one single place for ease of reference.

Vide this Circular, SEBI has advised all the registered Merchant Bankers to disclose on their website, Investor Charter for each of the following categories, as provided at Annexure-‘A’ to this circular:

1. Initial Public Offer (IPO) and Further Public Offer (FPO) including Offer for Sale (OFS)
2. Rights Issue
3. Qualified Institutions Placement (QIP)
4. Preferential Issue
5. SME IPO and FPO including OFS
6. Buyback of Securities
7. Delisting of Equity Shares
8. Substantial Acquisitions of Shares and Takeovers

Further, SEBI has decided that all the registered Merchant Bankers shall disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof, on each of the aforesaid categories separately as well as collectively, latest by 7<sup>th</sup> of succeeding month, as per the format enclosed at Annexure-‘B’ to this circular.

[Circular](#)

#### **16. Segregation and Monitoring of Collateral at Client Level – Extension of timeline**

SEBI, vide circular no. SEBI/HO/MRD2\_DCAP/CIR/2021/0598 dated July 20, 2021, had issued certain provisions in the subject matter. The para 50 of the said circular reads as under: “ The provisions of Paragraphs 4 and 5 of this circular shall come into force with effect from October 01, 2021, and other provisions of this circular shall come into force with effect from December 01, 2021.”

Vide this Circular, SEBI has decided that provisions of the said circular (apart from provisions of Paragraphs 4 and 5) shall come into force with effect from February 28, 2022 instead of December 01, 2021.

[Circular](#)

#### **17. Disclosure of Complaints against the Stock Exchanges (excluding Commodity Derivatives Exchanges)/Depositories/Clearing Corporations**

Circular No.: SEBI/HO/MRD1/MRD1\_ICC1/P/CIR/2021/664

Dated 23<sup>rd</sup> November, 2021

*Effective Date: 1st January, 2022*

Vide this Circular, SEBI has decided that all Stock Exchanges (excluding Commodity Derivatives Exchanges)/Depositories/Clearing Corporations shall disclose on their websites, the data on complaints received against them and redressal thereof, latest by 7<sup>th</sup> of succeeding month, as per the format enclosed at Annexure-‘A’ to this circular.

Further, these disclosure requirements are in addition to those already mandated by SEBI.

[Circular](#)

#### **18. Publishing Investor Charter and Disclosure of Complaints by Merchant Bankers on their Websites – Debt Market**

Circular No.: SEBI/HO/DDHS/P/CIR/2021/0669

Dated 26<sup>th</sup> November, 2021

*Effective Date: 1<sup>st</sup> January, 2022*

SEBI, in consultation with the Merchant Bankers, has developed an Investor Charter to provide investors relevant information about the various activities pertaining to primary market issuances in the debt market. This Charter is a brief document containing details of services provided to investors, their rights, dos and don'ts, responsibilities, investor grievance handling mechanism and timelines thereof etc. for ease of reference.

Vide this Circular, SEBI has advised all registered Merchant Bankers to disclose on their websites, the Investor Charter for each of the below mentioned categories, as provided at Annex-A to this circular:

- i. Public issue of debt securities
- ii. Public issue of non-convertible redeemable preference shares
- iii. Private placement of debt securities and non-convertible redeemable preference shares

Further, SEBI has decided that all registered Merchant Bankers shall also disclose on their respective websites, data on complaints received against them or against issues dealt by them and redressal status thereof, latest by the seventh day of the succeeding month, as per the format enclosed at Annex-B to this circular.

[Circular](#)

#### **19. Publishing Investor Charter and Disclosure of Complaints by Registrar and Share Transfer Agents (RTAs) on**

<b>their Websites</b>
Circular No.: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/670 Dated 26 <sup>th</sup> November, 2021
<p><i>Effective Date: 1<sup>st</sup> January, 2022</i></p> <p>SEBI has developed an Investor Charter for RTAs to facilitate investors awareness about various activities where an investor has to deal with RTAs for availing Investor Service Requests, Rights of Investors, various activities of RTAs with timelines, Dos and Don'ts for Investors and Grievance Redressal Mechanism.</p> <p>Vide this Circular, SEBI has advised all registered RTAs to bring the Investor Charter, as provided at 'Annexure –A' to the notice of existing and new shareholders by way of the following:</p> <ol style="list-style-type: none"> <li>Disseminating the Investor Charter on their websites/through e-mail.</li> <li>Displaying the Investor charter at prominent places in offices etc.</li> </ol> <p>The Registrar Association of India (RAIN) shall also disseminate the Investor Charter on its website.</p> <p>Further, SEBI has decided that all registered RTAs shall disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof, latest by 7<sup>th</sup> of succeeding month, as per the format enclosed at 'Annexure-B' to this circular.</p> <p><a href="#">Circular</a></p>
<b>20. Publishing investor charter and disclosure of investor complaints by Merchant Bankers on their websites for private placements of Municipal debt securities</b>
Circular No.: SEBI/HO/DDHS/DDHS_DIV3/P/CIR/2021/671 Dated 26 <sup>th</sup> November, 2021
<p><i>Effective Date: 1<sup>st</sup> January, 2022</i></p> <p>SEBI has developed an Investor Charter to provide investors relevant information about the primary market issuances of municipal debt securities.</p> <p>Vide this Circular, SEBI has advised all registered Merchant Bankers to disclose on their websites, the Investor Charter for private placements of municipal debt securities, as provided at Annexure –A to this circular.</p> <p>Further, SEBI has decided that all registered Merchant Bankers shall disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof, on each of the aforesaid categories separately as well as collectively, latest by 7<sup>th</sup> of succeeding month, as per the format enclosed at Annexure – B to this circular.</p> <p><a href="#">Circular</a></p>
<b>21. Publishing Investor Charter and Disclosure of Investor Complaints by Merchant Bankers on their Websites for public offers by REITs and InvITs</b>
Circular No.: SEBI/HO/DDHS/DDHS_Div3/P/CIR/2021/672 Dated 26 <sup>th</sup> November, 2021
<p><i>Effective Date: 1<sup>st</sup> January, 2022</i></p> <p>SEBI has developed an Investor Charter to provide investors relevant information about the primary market issuances by REITs and InvITs.</p> <p>Vide this Circular, SEBI has advised all registered Merchant Bankers to disclose on their websites, the Investor Charter for each of the following categories, as provided at Annexure –A to this circular:</p> <ol style="list-style-type: none"> <li>Public offer of units by REITs</li> </ol>



ii. Public offer of units by InvITs

Further, SEBI has decided that all registered Merchant Bankers shall disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof, on each of the aforesaid categories separately as well as collectively, latest by 7<sup>th</sup> of succeeding month, as per the format enclosed at Annexure – B to this circular.

[Circular](#)

**22. Master Circular for Infrastructure Investment Trusts (InvITs)**

SEBI/HO/DDHS/DDHS\_Div3/P/CIR/2021/673

Dated 29<sup>th</sup> November, 2021

This Master Circular is a compilation of relevant circulars issued by SEBI up to October 31, 2021 which are operational as on date of this circular.

Further, circulars providing temporary relaxations with regards to certain compliance requirements for InvITs in the wake of the COVID-19 pandemic have not been included in the master circular.

In case of any inconsistency between the master circular and the applicable circulars, the contents of the relevant circular shall prevail.

[Master Circular](#)

**23. Master Circular for Real Estate Investment Trusts (REITs)**

SEBI/HO/DDHS/DDHS\_Div3/P/CIR/2021/674

Dated 29<sup>th</sup> November, 2021

This Master Circular is a compilation of relevant circulars issued by SEBI up to October 31, 2021 which are operational as on date of this circular.

Further, circulars providing temporary relaxations with regards to certain compliance requirements for REITs in the wake of the COVID-19 pandemic have not been included in the master circular.

In case of any inconsistency between the master circular and the applicable circulars, the contents of the relevant circular shall prevail.

[Master Circular](#)

**1. Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2021**

G.S.R. 785 (E)  
Dated: 9<sup>th</sup> November 2021

Vide this notification, MCA has amended the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Following is the gist of the amendments:

**1. Omission of the word “Advance Receipts” in Proviso to Rule 7(2) pertaining to making Application in Form IEPF-5 for claiming refund from fund:** Claimants, after submitting application in form IEPF-5, shall not be required to submit the original Advance Receipts for verification.

**2. Amendments in Schedule II pertaining to documents to be submitted to the Authority to register transmission of securities:**

i. The base limit of the value of securities has increased from ₹2 lakhs to ₹5 lakhs for various document submission related purposes.

ii. Substitution in the requirement of documents to be submitted to the Authority to register transmission of securities held in physical mode to provide that the copy of death certificate shall be attested by the claimant. Further, the original share certificate is to be sent to the company and scanned copy to be attached with the form.

iii. Where the shares are held jointly without nomination, the following documents in addition to the documents specified at paragraph 3 of the Schedule are required:

- For value of securities more than 5,00,000 (Rupees Five lakh only) per issuer company as on date of application: Succession certificate or probate of will or will or letter of administration or Decree, as may be applicable in terms of Indian Succession Act, 1925. (39 of 1925) or any other Decree or Order of any Court or Tribunal.

iv. After sub-item 4.3, the following explanation has been inserted, namely:

“Explanation:

- (1) *The Company may enhance the limit of Rs. 5,00,000 (Rupees Five lakh only) per issuer company in accordance with SCHEDULE VII of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, after taking approval of its Board of Directors and provide copy of Board resolution to Authority at the time of verification of claim”*
- (2) *for the case where will is provided, following documents shall also be required:*
  - (a) *Legal heirship certificate issued by Competent Authority*
  - (b) *No Objection Certificate from all legal heirs in favor of the claimant;*
  - (c) *Affidavit from witness about confirmation of will wherever alive or death certificate of such witness;*
  - (d) *Affidavit with regard to the will as last will and no matter is pending before any court with regard to such will;*
  - (e) *Surety affidavit by at least two sureties with their PAN Card.”*

**3. Amendments in Schedule III pertaining to documents to be submitted to the Authority in case of loss of securities held in physical mode:**

i. In case of loss of securities held in physical mode, the shareholder can submit self-attested copy of FIR/ Police Compliant instead of a notarized copy.

ii. Surety Affidavit of value equal to market value that of shares as on date of execution shall not require.

iii. Publishing an advertisement in at least one English language national daily newspaper having nationwide circulation and in one regional language daily newspaper published in the place of registered office of company, if the market value of the shares was greater than Rs. 5,00,000 (Earlier it was Rs. 10,000).

**4. Amendments in Schedule IV pertaining to procedure to be followed while disposing the claims:**

i. In Item N. 2, sub-item (iv) has been omitted pertaining to furnishing an Affidavit and other supporting documents for change or variations in address in various documents, share certificates, current address and address recorded in share certificate or Form No. IEPF – 4 or other places.

ii. In sub-item (ix), the following statement has been omitted: *“verification of transaction statement of the unclaimed suspense account of the company. At any point of time, details of every investor whose shares have been transferred from unclaimed suspense account, may be called from depository.”*

iii. In sub-item (x), e-form IEPF-7 has been inserted in addition to the existing e-forms IEPF-1 or INV-1 or IEPF-1A to verify the details of amount due to the claimant.

**5. Modification in E-Form IEPF-5:** The E-Form IEPF-5 pertaining to application to the Authority for claiming unpaid amounts and shares out of Investor Education and Protection Fund (IEPF) has been modified.

[Notification](#)

**Disclaimer:**

This is not a complete listing of all circulars/notifications issued during the month.  
Instead it is only a listing of some of the circulars/notifications that we considered important.



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