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# NEWSLETTER

## REGULATORY

- RBI
- SEBI
- MCA



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## RBI

There is no relevant update in the month of September, 2023.

## SEBI

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

Circular No: SEBI/HO/DDHS/POD1/P/CIR/2023/150

Dated: 4<sup>th</sup> September, 2023

An abridged prospectus is a memorandum containing such salient features of a prospectus as may be specified by the Securities and Exchange Board of India by making regulations in this behalf.

Vide this circular, SEBI has revised the format for disclosures in the abridged Prospectus as placed at Annex-I of this Circular, in order to simplify, provide greater clarity and consistency in the disclosures across various documents and to provide additional but critical information in the abridged Prospectus.

Further, instructions to investors for completing the application form is specified in Annex-II. Issuer/ Merchant Bankers/ syndicate members like brokers who are involved in the public issue shall disclose the same on their websites during the period a public issue is kept open.

**Applicability:** This Circular shall be applicable for all public issues opening on or after October 1, 2023.

[Circular](#)

### 2. Change in mode of payment w.r.t. SEBI Investor Protection and Education Fund Bank A/c

Circular No.: SEBI/HO/GSD/TAD/P/CIR/2023/149

Dated 4<sup>th</sup> September, 2023

**Reference to Existing Circular no. SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020:** SEBI had prescribed that the amounts shall be credited to the SEBI Investor Protection and Education Fund through online mode or by way of a demand draft (DD) in favour of the Board (i.e. SEBI IPEF).

Henceforth, remittances to SEBI IPEF shall be made only through the mentioned link.

Vide this Circular, SEBI has opened a new bank account to facilitate market participants to make payment to SEBI Investor Protection and Education Fund (SEBI IPEF). In this regard, a link has been provided in the Homepage of SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) under the head “Click here to make payment to SEBI IPEF”. The link enables the remitter to make payment in any of the following manner:

- Net banking
- NEFT/RTGS
- Debit Cards
- UPI

Further, while making the remittances online, through the above link, remitters shall furnish the requisite information like name of the payer, PAN, mobile number, email ID, the purpose for which payment is made, the amount to be paid, etc.

[Circular](#)

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

Circular No.: SEBI/HO/DDHS/DDHS-POD2/P/CIR/2023/151

Dated 4<sup>th</sup> September, 2023

**Reference to existing Circulars:** SEBI (Credit Rating Agencies) Regulations, 1999 (“CRA Regulations”) and circulars issued thereunder require sharing of certain information from CRAs to Debenture Trustees (DTs).

Due to the large quantum of information submitted daily by CRAs to DTs, as well as short timelines mandated for disclosure of this information by DTs, it is essential that the data shared by CRAs be structured and submitted in a specified format for easier accessibility and analysis of the submitted data.

Accordingly, based on discussion with CRAs and DTs, an excel template is placed as Annexure. CRAs shall use the same template for their daily submissions of rating revisions to DTs.

Such submissions shall be sent by CRAs to DTs on the same day as the day of rating revisions, on either the generic email ID being used for regulatory purposes, or email IDs/URL as may be communicated for this purpose by DTs.

**Applicability:** The circular shall be applicable with effect from October 01, 2023, and CRAs shall report on their compliance with this circular (as ratified by their respective board of directors) to SEBI within one quarter from the date of applicability of this circular.

**Monitoring:** Monitoring of this circular shall be done in terms of the half-yearly internal audit for CRAs, mandated under Regulation 22 of the CRA Regulations and circulars issued thereunder.

[Circular](#)

#### **4. Clarification regarding investment of Mutual Fund schemes in units of Corporate Debt Market Development Fund**

Circular No.: SEBI/HO/IMD/PoD2/P/CIR/2023/152

Dated 6<sup>th</sup> September, 2023

**Reference to existing Circulars:** SEBI Circular SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund (“CDMDF”).

In this context, AMFI has requested that for calculation of asset allocation limits, the base maybe considered as net asset excluding of investment in units of CDMDF.

It is therefore clarified that 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, investment in units of CDMDF shall be excluded from base of net assets.

[Circular](#)

#### **5. Board nomination rights to unitholders of Infrastructure Investment Trusts (InvITs)**

Circular No.: SEBI/HO/DDHS-PoD-2/P/CIR/2023/153

Dated 11<sup>th</sup> September, 2023

Regulation 4(2)(h) of SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“InvIT Regulations”) inter-alia provides that unitholder(s) holding not less than ten percent of the total outstanding units of the InvIT, either individually or collectively, shall be entitled to nominate one director on the board of directors of the Investment Manager, in the manner as may be specified by the Board.

Accordingly, vide this circular, SEBI has specified the framework to exercise board nomination rights by the Eligible Unitholder(s) at Annexure-A to this Circular.

**Reporting and Monitoring:** The Investment Manager of the InvIT shall, within ten days from the end of each calendar month, review whether the Eligible Unitholder(s) who have exercised the board nomination right, continue to have/hold the required number of units of InvIT and make a report of the same. The Investment Manager of the InvIT shall submit such report to the Trustee of the InvIT.

[Circular](#)

<b>6. Board nomination rights to unitholders of Real Estate Investment Trusts (REITs)</b>
<p style="text-align: right;">Circular No.: SEBI/HO/DDHS-PoD-2/P/CIR/2023/154 Dated 11<sup>th</sup> September 2023</p> <p>Regulation 4(2)(g) of SEBI (Real Estate Investment Trusts) Regulations, 2014 (“REIT Regulations”) inter-alia provides that unitholder(s) holding not less than ten percent of the total outstanding units of the REIT, either individually or collectively, shall be entitled to nominate one director on the board of directors of the Manager, in the manner as may be specified by the Board.</p> <p>Accordingly, vide this circular, SEBI has specified the framework to exercise board nomination rights by the Eligible Unitholder(s) at Annexure-A.</p> <p><b>Reporting and Monitoring:</b> The Manager of the REIT shall, within tendays from the end of each calendar month, review whether the Eligible Unitholder(s) who have exercised the board nomination right, continue to have/hold the required number of units of REIT and make a report of the same. The Manager of the REIT shall submit such report to the Trustee of the REIT.</p> <p><a href="#">Circular</a></p>
<b>7. Regulatory Reporting by AIFs</b>
<p style="text-align: right;">Circular No.: SEBI/HO/AFD/SEC-1/P/CIR/2023/0155 Dated 14<sup>th</sup> September 2023</p> <p>In terms of Regulation 28 of SEBI (AIF) Regulations, 2012 read with Clause 15.1 of SEBI Master Circular for AIFs dated July 31, 2023, AIFs shall submit quarterly reports to SEBI in the formats specified with respect to the activities carried on by the AIFs.</p> <p>Vide this circular, SEBI has reviewed the existing quarterly reporting format in consultation with AIF Industry Associations – Indian Venture and Alternate Capital Association (IVCA) (hereinafter referred to as ‘association’) and revised the reporting format.</p> <p>The said revised reporting format shall be hosted by the AIF associations on their website within 2 working days of issuance of this circular.</p> <p><b>Reporting:</b> The quarterly report shall be submitted by AIFs online on the SEBI Intermediary Portal (SI Portal) as per the aforesaid revised format within 15 calendar days from the end of each quarter.</p> <p><b>Applicability:</b></p> <ol style="list-style-type: none"> <li>1. The association shall engage with all AIFs to ensure that to begin with and to carry out a trial run, quarterly report for the June 2023 quarter is submitted in the revised format by October 15, 2023 on the SI Portal.</li> <li>2. The report for the quarter ending September 30, 2023 shall be submitted in the revised format by November 15, 2023.</li> <li>3. From quarter ending December 31, 2023 onwards, AIFs shall submit quarterly report in the revised format within 15 calendar days from the end of each quarter.</li> </ol> <p><a href="#">Circular</a></p>
<b>8. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2023</b>
<p style="text-align: right;">No. SEBI/LAD-NRO/GN/2023/151 Dated 19<sup>th</sup> September 2023</p> <p>Vide this notification, SEBI has amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. These amendments are aimed at regulating the listing of non-convertible debt securities</p>



by listed entities.

**A new regulation 62A pertaining to listing of subsequent issuances of non-convertible debt securities has been inserted as stated below:**

*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 sub-regulation (4) shall be locked in and held till maturity by the investors and shall be unencumbered.*

*(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.”*

#### Regulation

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

Circular No.: SEBI/HO/OIAE/IGRD/CIR/P/2023/156

Dated 20<sup>th</sup> September 2023

SEBI Complaint Redressal System (SCORES) is a centralised web-based complaint redressal facilitation platform launched in 2011 vide circular dated June 3, 2011 to provide a facilitative platform for the benefit of the aggrieved investors, whose grievances against (a) listed company, (b) registered intermediary or (c) market infrastructure institution (“Entities”) remain unresolved. Since then, SEBI has revised and strengthened the process of facilitating the redressal of grievances by such Entities.

SEBI had amended the SEBI (Facilitation of Grievance Redressal Mechanism) (Amendment) Regulations, 2023 as mentioned under ‘Schedule I’ vide notification dated August 16, 2023, in order to strengthen the existing investor grievance handling mechanism through SCORES by providing a solution that makes the process more efficient by reducing timelines and by introducing auto-routing and auto-escalation of complaint.

Consequently, it becomes necessary to revise the extant process for redressal of investors’ grievances against Entities and provide for a mechanism through which Designated Bodies (as specified in ‘Schedule II’) may monitor the process of the redressal of investors’ grievances by Entities.

Vide this circular, SEBI has revised the framework for handling of complaints received through SCORES platform for Entities and for monitoring the complaints by designated bodies as specified in ‘Annexure I’ to this circular. A pictographic representation of the process is also set out in ‘Schedule III’.

The other general provisions applicable to all Entities concerning SCORES portal are at ‘Annexure II’.

**Implementation of this circular:**

1. Notwithstanding anything contained in this circular or any other circular, the Entities shall, submit the Action Taken Report (“ATR”) on SCORES within 21 calendar days from the date of receipt of the complaint.
2. The provisions of this circular related to work flow of processing of investor grievances by Entities and framework for monitoring and handling of investor complaints by the Designated Bodies shall come into force with effect from December 04, 2023.
3. The designated bodies may apply for SCORES Authentication and/or for Application Programming Interface (API) integration as per Annexure I within such period so as to ensure that Designated Bodies can comply with provisions of this circular by December 04, 2023 and onwards.

This Circular shall rescind the Master Circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 07, 2022 with effect from December 04, 2023.

[Circular](#)

**10. Extension of timelines (i) for nomination in eligible demat accounts and (ii) for submission of PAN, Nomination and KYC details by physical security holders; and voluntary nomination for trading accounts**

Circular No.: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/158  
Dated 19<sup>th</sup> September 2023

**A. For trading and demat accounts**

SEBI, vide circular dated July 23, 2021, stipulates that trading accounts and demat account which do not have ‘choice of nomination’ by September 30, 2023 shall be frozen.

In this respect, SEBI has decided:

1. Submission of ‘choice of nomination’ for trading accounts has been made voluntary as a step towards ease of doing business;
2. With respect to demat accounts, it has been decided to extend the last date for submission of ‘choice of nomination’ to December 31, 2023.

**B. For physical security holders**

As regards physical securities, SEBI, vide circular dated March 16, 2023, stipulated that folios shall be frozen if PAN, Nomination, Contact details, Bank A/c details and Specimen signature are not submitted by the holders by September 30, 2023.

Vide this circular, SEBI has decided to extend the last date for submission of PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers to December 31, 2023.

**Effective Date:** This circular shall come into effect immediately in supersession of relevant provisions contained in various circulars issued by SEBI including Master Circulars issued for Stock Brokers and Registrars to an Issue and Share Transfer Agents dated May 17, 2023.

[Circular](#)

**11. Master Circular for Merchant Bankers**

Circular No.: SEBI/HO/CFD/PoD-1/P/CIR/2023/157  
Dated 26<sup>th</sup> September 2023

The SEBI has been, from time to time, issuing various circulars/directions to Merchant Bankers under the relevant provisions of the SEBI (Merchant Bankers) Regulations, 1992 (“Merchant Bankers Regulations 1992”) and extant securities laws.

In order to enable the stakeholders to have access to all such circulars at one place, this Master Circular in respect of

Merchant Bankers has been prepared.

With the issuance of this Master Circular, all directions/instructions contained in the circulars listed out in the Appendix to this Master Circular shall stand rescinded to the extent they relate to the Merchant Bankers.

Notwithstanding such rescission, -

- (a) anything done or any action taken or purported to have been done or taken under the rescinded circulars, prior to such rescission, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular; and
- (b) any application made to the Board under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular.

[Master Circular](#)

## 12. Nomination for Mutual Fund Unit Holders – Extension of timelines

Circular No.: SEBI/HO/IMD/IMD-I POD1/P/CIR/2023/160

Dated 27<sup>th</sup> September 2023

**Reference to existing circular:** SEBI vide *Circular No. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2022/82 dated June 15, 2022* read with SEBI *Circular No. SEBI/HO/IMD/IMD-I DOF1/P/CIR/2022/105 dated July 29, 2022*, and SEBI *Circular No. SEBI/HO/IMD/IMD-I POD1/P/CIR/2023/47 dated March 28, 2023* prescribed the requirement for nomination/ opting out of nomination for all the existing individual unit holder(s) holding mutual fund units either solely or jointly, by September 30, 2023, failing which the folios shall be frozen for debits.

Vide this circular, SEBI has decided that the provision mentioned at para 4 of SEBI Circular dated June 15, 2022 with regard to freezing of folios, shall come into force with effect from January 01, 2024 instead of September 30, 2023.

Further, AMCs and RTAs shall encourage the unit holder(s) to fulfil the requirement for nomination/opting out of nomination by sending a communication on fortnightly basis by way of emails and SMS to all such unit holder(s) who are not in compliance with the requirement of nomination. The communication shall provide guidance by which the unit holder(s) can provide nomination or opt out of nomination.

All other provisions of Circular No. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2022/82 dated June 15, 2022 and SEBI/HO/IMD/IMD-I DOF1/P/CIR/2022/105 dated July 29, 2022 shall remain unchanged.

[Circular](#)

## MCA

### 1. Clarification on holding of Annual General Meeting (AGM) and EGM through Video Conference (VC) or Other Audio Visual Means (OAVM) and passing of Ordinary and Special resolutions by the companies under the Companies Act, 2013 read with Rules made thereunder – Extension of timeline

General Circular No.: 09/2023

Dated: 25<sup>th</sup> September, 2023

**For AGM:** In continuation to the MCA General Circular No. 20/2020 dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022, vide this circular, MCA has decided to allow the Companies whose AGMs are due in the year 2023 or 2024 to conduct their AGMs through VC or OAVM on or before **30<sup>th</sup> September, 2024** in accordance with the requirements laid down in Para 3 and 4 of the General Circular No. 20/2020 dated 05.05.2020.

Further, it is clarified that General Circular shall not be construed as conferring any extension of statutory time for holding AGMs by companies under the Companies Act, 2013 and the Companies which have not adhered to the relevant statutory timelines shall be liable to legal action under the appropriate provisions of the Act.

**For EGM:** In continuation to the MCA General Circular No. 14/2020 dated 08.04.2020, General Circular No. 03/2022 dated 05.05.2022 and General Circular No. 11/2022 dated 28.12.2022, vide this circular, MCA has decided to allow the Companies to conduct their EGMs through VC or OAVM or transact items through postal ballot in accordance with the framework provided in the aforesaid circulars up to **30<sup>th</sup> September, 2024**.

All other requirement provided in the said circulars shall remain unchanged.

[Circular](#)

### 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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