



N. A. SHAH ADVISORY SERVICES LLP

BULLETIN

CAPITAL MARKETS BULLETIN
JULY 2022



EXECUTIVE SUMMARY

- ◆ SEBI has prescribed new guidelines and formats for reporting for Alternative Investment Funds (AIFs) - Large Value Fund for Accredited Investors.
- ◆ In order to provide more transparency, SEBI has provided with new disclosure norms and revised formats for disclosure of shareholding pattern of the listed company.
- ◆ SEBI has streamlined the process for allotment and listing of privately placed units of InvITs.
- ◆ In respect of REITs and InvITs, SEBI has provided with a new payment option to apply in the public issue and has provided extension for conducting unit holders meeting through audio visual means.

AMENDMENTS TO AIFs REGULATIONS – LARGE VALUE FUND (LVF)

In order to strengthen the functioning of the AIFs – LVF and to bring in more transparency, the SEBI has issued below guidelines/relaxations and reporting framework for AIFs - LVF:

- ◆ Filing of undertaking by CEO and Compliance Officer:
 - AIFs filing the placement memorandum for LVF schemes with SEBI shall now be required to file a duly signed and stamped undertaking by CEO of the Manager to the AIF (or person holding equivalent position) and Compliance Officer in the format prescribed by the SEBI. Further, in case where schemes are already filed, SEBI has given timeline till 31st July 2022 to file the said undertaking.

- ◆ Extension of tenure of the scheme:
 - Close ended AIFs are permitted to extend its scheme tenure beyond two years provided requisite approval is sought and subject to the contribution agreement and other fund documents. In this regard, the SEBI has specified additional conditions which are as under:
 - To enable the investors to take an informed decision, the fund documents shall lay down the terms and conditions for extension of the tenure beyond two years.
 - LVF shall be required to obtain approval from its Trustee/Board of Directors/Designated Partners for extending the tenure beyond two years, at least one month before expiration of the fund tenure or extended tenure.
 - In case requisite conditions specified in the fund documents of LVF for extension of tenure beyond two years are not fulfilled, LVF shall be liquidated and wound down.

- ◆ Requirement of compliance officer:
 - The Manager to AIF shall designate an employee / director as Compliance Officer who shall be a person other than CEO of the Manager(s) who shall

be responsible for all the reporting and compliances required under the SEBI Regulations.

DISCLOSURE OF HOLDING OF SPECIFIED SECURITIES

- ◆ In the interest of providing clarity and transparency in the disclosure of shareholding pattern of a company, SEBI has amended its earlier 2015 circular where the formats of the disclosures have been prescribed.
- ◆ Pursuant to such amendment, the following has been prescribed:
 - Disclosure of names of shareholders holding 1% or more shares in the listed company;
 - Disclosure of names of shareholders who are persons acting in concert;
 - Revised formats for disclosure of statements showing shareholding pattern of public shareholders and non-promoter – non-public shareholder

REDUCTION IN TIMELINES FOR LISTING OF PRIVATELY PLACED INVIT UNITS

- ◆ Currently, the indicative timelines prescribed in InvIT Regulations provide for listing of privately placed units within 30 days from date of allotment.
- ◆ In order to streamline the process for allotment and listing of units and pursuant to discussion with market participants, SEBI has reduced the timeline for allotment and listing of such units to six working days from thirty working days as follows:

Sr. No.	Details of Activities	Due Date
1.	Closure of issue and receipt of funds	T
2.	Sponsor to transfer its entire shareholding /interest /rights in the Holding Company and /or SPV or ownership of the infrastructure projects as disclosed in the placement memorandum	T + 3 working days
3.	Finalisation of list of allottees and number of units to be allotted	


Sr. No.	Details of Activities	Due Date
4.	Finalization of Final Placement Memorandum and dispatch of confirmation of allocation notes along with FPM	
5.	InvIT to undertake corporate action for credit of units of to the demat account of sponsor(s)/other shareholders of the SPV/Holding Company and to the demat account of the investors in the private placement	
6.	Receipt of confirmation by Investment Manager from Depositories for credit of Units in demat accounts of sponsor(s)/other shareholders of the SPV/Holding Company and the investors in the private placement, and lock-in of units to the extent applicable	T + 4 working days
7.	Post successful allotment, InvIT shall make listing application to stock exchange(s) for listing and trading permission	T + 5 working days
8.	Stock exchange(s) to issue notice for listing and commencement of trading	
9.	Stock exchange to send the notice to depositories in order to change the status of ISIN to active	
10.	Trading commences	T + 6 working days

UPI MECHANISM FOR REITs AND INVITs

- ◆ In addition to the ASBA facility, the SEBI has now provided with an additional option to individual investors to apply in public issues of units of REITs and InvITs with a facility to block funds through United Payment Interface (UPI) mechanism for application value up to INR 5 lacs.

EXTENSION OF TIMELINE FOR CONDUCTING MEETING BY REITs AND INVITs

- ◆ SEBI has extended the timeline for REITs and InvITs for conducting annual meetings and other meetings of unitholders through Virtual Conferences (VC) and Other Audio-Visual Means (OAVM) till December 31, 2022.



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