



N. A. SHAH ADVISORY SERVICES LLP

BULLETIN

CAPITAL MARKETS BULLETIN
MAY 2022



EXECUTIVE SUMMARY

- ◆ SEBI has provided clarifications in relation to related party transactions.
- ◆ Timelines for listing and allotment of units of REIT / InvIT has been reduced.
- ◆ SEBI has amended requirements for security cover for listed debt securities.
- ◆ Requirements for disclosure and security cover for listed non-convertible securities have been amended.

CLARIFICATIONS IN APPROVAL FOR RPTS

- ◆ SEBI has provided the following clarifications in relation to omnibus approval received in a general meeting for material related party transactions:
 - Approval received in AGM: Valid upto the next AGM or 15 months, whichever is earlier.
 - Approval received in EGM: Valid for 12 months.

REDUCTION LISTING TIMELINE FOR REIT / INVIT


- ◆ SEBI has reduced the timeline for allotment and listing of REIT / InvIT from the existing 12 days to 6 days.

AMENDMENTS IN SECURITY COVER FOR LISTED DEBT

- ◆ SEBI has amended the requirement for maintenance of security cover for secured listed non-convertible debt securities. Companies now have to maintain 100% security cover to discharge both principal amount and interest on listed debt at all times. Previously, the security cover was only required for the principal amount.

AMENDMENTS FOR LISTING OF NON-CONVERTIBLE SECURITIES

- ◆ SEBI has now mandated that companies issuing listed secured debt maintain 100% security cover to discharge both principal and interest component on the listed secured debt.
- ◆ SEBI has notified Schedule IVA as the 'due diligence certificate' to be submitted by debenture trustee to SEBI and stock exchange(s) before the public issue of unsecured debt.
- ◆ Companies creating charge in respect of secured debt shall also have to disclose the same in the debenture trust deed, in addition to the offer document.



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