



N. A. SHAH ADVISORY SERVICES LLP

BULLETIN

CAPITAL MARKETS BULLETIN – APRIL 2023



EXECUTIVE SUMMARY

- ◆ SEBI has introduced restrictions on placement of bids, price and volume where buy-back is through stock exchange route.
- ◆ Quarterly reporting requirements on venture capital activity of Foreign Venture Capital Investors is being put in place.
- ◆ SEBI has brought in various amendments in obligations and responsibilities of Foreign portfolio investors and Designated depository participants.

AMENDMENT TO SEBI (BUY-BACK OF SECURITIES) REGULATIONS, 2018

- ◆ SEBI has introduced restrictions on placement of bids, price and volume in case of buyback through stock exchange mechanism and are applicable from 09th March 2023.
- ◆ Following restrictions have been set out:
 - The company shall not purchase more than 25% of the average daily trading volume (in value) of its shares of preceding 10 trading days.
 - The company shall not place bids in the pre-open market, first 30 minutes and the last 30 minutes of regular trading session.
 - The company's purchase order price should be within the range of $\pm 1\%$ from the last traded price.
- ◆ For deposit of margin, the escrow account shall consist of cash and / or other than the cash. The portion other than the cash shall be subject to appropriate haircut, in accordance with the SEBI Master Circular.

MASTER CIRCULAR ON FOREIGN VENTURE CAPITAL INVESTORS ("FVCIS")

- ◆ **Quarterly Reporting by FVCIs**
 - All FVCIs are required to submit the quarterly report on venture capital activity to SEBI in the prescribed format.
 - The report is to be submitted online on SEBI portal within 7 days from the end of each calendar quarter and domestic custodian is responsible for timely submission of the report.
- ◆ **Online Filing System for FVCIs**
 - SEBI has introduced an online system for registration, reporting and filing under the provisions of FVCI Regulations.
 - Further, all SEBI registered FVCIs are now required to file their compliance reports and submit applications through online system only.

AMENDMENT IN FOREIGN PORTFOLIO INVESTORS REGULATIONS

- ◆ **Obligations and responsibilities of Foreign portfolio investors ("FPIs")**
 - To Inform the SEBI and Designated depository participant ("DDP"):

| Particulars | Erstwhile | Amendment |
|---|-----------|-----------------------|
| In writing, if any information previously submitted to SEBI or DDP are found to be false or misleading, in any material respect | Forthwith | Within 7 working days |


| | | |
|--|-----------|-----------------------|
| In writing, if there is any material change in the information including any direct or indirect change in its structure or ownership or control or investor group previously furnished by him to SEBI or DDP | Forthwith | Within 7 working days |
| In case of any penalty, pending litigation or proceedings, findings of inspections or investigations for which action have been or is in the process of being taken by an overseas regulator against it | Forthwith | Within 7 working days |

- All the FPIs should provide accurate details of investor group are maintained with DDPs at all times.

◆ **Obligations and responsibilities of Designated depository participants (“DDP”)**

- All DDP who have been granted approval by SEBI shall:

| Particulars | Erstwhile | Amendment |
|---|-----------|-----------------------|
| Inform SEBI in writing, if any information or particulars previously submitted to the SEBI are found to be false or misleading, in any material respect | Forthwith | Within 2 working days |
| Inform SEBI in writing, if there is any material change in the information previously furnished by him to SEBI | Forthwith | Within 2 working days |
| In case of any penalty, pending litigation or proceedings, findings of inspections or investigations for which action have been or is in the process of being taken by any regulator against a DDP, the DDP shall bring such information to the attention of SEBI, depositories and stock exchanges | Forthwith | Within 2 working days |



The contents provided in this newsletter are for information purpose only and are intended, but not promised or guaranteed, to be correct, complete and up-to-date. The firm hereby disclaims any and all liability to any person for any loss or damage caused by errors or omissions, whether such errors or omissions result from negligence, accident or any other cause.

B41-45, Paragon Centre,
Pandurang Budhkar Marg, Mumbai – 400013
Tel: 91-022-4073 3014
E-mail Id: info@nashahadvisors.com