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Capital Markets Bulletin
September 2024

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1. Amendments in disclosure requirements for FPIs

SEBI has exempted University funds and University-related endowments that are registered as Cat-I Foreign Portfolio Investors (**FPIs**) from additional disclosure requirements on fulfilling following conditions:

- Less than 25% of the fund's global Assets Under Management (**AUM**) should be invested in Indian equities.
- The fund's global AUM should exceed INR 10,000 crore.
- The fund must provide appropriate tax filings or returns in its home jurisdiction, confirming its status as a non-profit entity exempted from tax.

2. Amendments in relation to REITs and InvITs

- **Rights of unitholders of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) to nominate director**

  Earlier eligible unitholders were entitled to nominate only 1 unitholder nominee director on the board of the manager of the REITs and InvITs upon their unitholding exceeding the specified threshold however such unitholder shall not be entitled to nominate in case it has the right to nominate in the capacity of a lender to the manager .

  SEBI has now relaxed the above restriction where the right to appoint a nominee director is available as a debenture trustee.

- **Disclosure of statement of deviations**

  The disclosure of statements of deviations in the use of proceeds from the stated objects by REITs and InvITs shall now be made along with financial results on a quarterly basis instead of submission within 21 days of each quarter.

3. Amendments in relation to AIFs

- **Guidelines for borrowing by Cat-I and Cat-II Alternate Investment Funds (AIFs)**

  Cat-I and Cat-II AIFs can now borrow money to meet temporary shortfall in the drawdown amounts from investors, subject to the following conditions:

Sr. No.	Conditions
1.	Intention to borrow must be disclosed in Private Placement Memorandum (PPM) of the scheme
2.	Borrowings are permitted only in emergency situations and as a last recourse when the drawdown amount has not been received from the investors
3.	Borrowing amount shall not exceed the lower of the following: - 20% of the proposed investment to be made in the investee company - 10% of the investable funds of the scheme - Pending commitment to be drawn from investors
4.	Cost of the borrowing will be charged to the investors who failed to provide the drawdown amount
5.	Borrowing flexibility cannot be used to offer different drawdown timelines to investors
6.	Borrowing details must be periodically disclosed to all the investors

Sr. No.	Conditions
7.	A cooling off period of 30 days must be maintained between two borrowings, to be calculated from the repayment date of the previous borrowing.

- **Extension of tenure by LVFs**

  Large Value Funds (**LVFs**) can extend their tenure of the schemes up to 5 years with prior approval by 2/3rd of the unitholders in value. In respect of the existing schemes, extension shall be subject to the following conditions:

  - Schemes who have not disclosed the period of extension in the PPM or the period of extension in the tenure is beyond 5 years must:
    - Align the period of extension with the permissible period of 5 years by 18th November 2024
    - Update the revised period of extension in tenure in quarterly report submitted on the SEBI's Intermediary Portal for the quarter ending 31st December 2024

  - Further, schemes may revise the original tenure after obtaining consent of all the investors and an undertaking of the same shall be submitted to SEBI by 18th November 2024.

4. Modalities for migration of VCFs registered under erstwhile VCF Regulations to AIF Regulations

The modalities for migration of Venture Capital Funds (VCFs) are as follows:

Particulars	Modalities
Migration process	VCFs intending to migrate shall apply to SEBI along with their original registration certificate and required information. The flexibility to migrate is available only till 19th July 2025.
Conditions for VCFs with active schemes	VCFs with schemes whose liquidation periods have not yet expired, the tenure of the schemes will be determined in the following manner: - Schemes with tenure defined in the PPM will continue as per their original term. - Schemes without a defined tenure in the PPM will have their residual term determined with approval from 75% of the investors in value.
Conditions for VCFs with expired liquidation period	VCFs with schemes not wound-up post expiry of the liquidation period may apply if there are no pending investor complaints. An additional liquidation period is granted allowing the schemes to wind up by 19th July 2025.
Non-migration	VCFs not migrating must comply with enhanced regulatory reporting or face potential action for continuing beyond their liquidation period.
Migration restrictions	VCFs with all schemes wound up or no ongoing investments are not eligible for migration and must apply for surrender of registration by 31st March 2025.

5. Amendments to the Securities Contracts Regulation Rules

Earlier, there was a requirement for Indian companies to offer at least 25% of their post-issue capital to the public on listing on stock exchanges. The said threshold has now been reduced to 10% for Indian companies listing on international exchanges in International Financial Services Centre.

By:

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