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FROM THE GOVERNMENT



- IN THE MATTER OF STRIKING OFF OR REMOVAL OF NAMES OF LLPs UNDER SECTION 75 OF THE LLP ACT, 2008 AND RULES 37(1) (B) AND RULE 37 (2) OF THE LLP RULES, 2009 IN RESPECT OF:- 17LLPs
- IN THE MATTER OF 123 LIMITED LIABILITY PARTNERSHIPS (LIST ENCLOSED)
- NOTICE BY REGISTRAR OF REMOVAL OF NAME OF A LIMITED LIABILITY PARTNERSHIP FROM THE REGISTER
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- FOREIGN EXCHANGE MANAGEMENT (OVERSEAS INVESTMENT) DIRECTIONS, 2022 - INVESTMENTS IN OVERSEAS FUNDS
- AMENDMENT TO MASTER DIRECTION - RESERVE BANK OF INDIA (INTEREST RATE ON DEPOSITS) DIRECTIONS, 2016



Corporate Laws

01 In the Matter of Striking off or Removal of Names of LLPs Under Section 75 of the LLP Act, 2008 and Rules 37(1) (B) and Rule 37 (2) of The LLP Rules, 2009 In Respect of:- 17LLPs

[Issued by the Ministry of Corporate Affairs No. No.ROC-G/LLP/Web Publication/2024/540 dated 26.06.2024.]

Notice is hereby given pursuant to Rule 37 (2) of Limited Liability Partnership Rules, 2009 that following Limited Liability of Partnerships had filed application in Form LLP-24 under section 75 of the LLP Act, 2008 and Rule 37(1) (b) of the LLP Rules, 2009 for removal of its/their name(s) from the register of LLPs and liable to be struck off under section 75 of LLP Act, 2008. The list of 17 LLPs is being sent herewith for publication in the web site of the Ministry of Corporate Affairs.:-

S. No.	LLPIN	LLP Name
1	AAU-4595	PRIMERO TECHNOLOGY & INNOVATIONS LLP
2	AAR-0552	GEMSTAA EVENTS LLP
3	AAQ-1239	APOGEE GEOSMART LLP
4	AAM-7999	R D REALCON LLP
5	AAI-2110	INTELLIGENCE ARBITRATION INSTITUTION (INDIA) LLP
6	ABZ-6711	KLIMA RESOURCES LLP
7	ABC-6743	GSARTHI AGRO LLP
8	ABA-9548	ASTERBOTTEGA LLP
9	ABA-6297	AMBROSIA FOODWORKS MANAGEMENT LLP
10	AAV-7559	MAHAKAUSHAL FOODS AND AGRO LLP
11	AAV-0569	INVESTMENTS & STORIES LLP
12	AAS-8414	SIYAGANJWALA.COM LLP
13	AAS-1971	PODDAR HOMES LLP
14	AAQ-4220	FIVE OWL FILMS MEDIA LLP
15	AAM-4515	BOCCABUONA HOSPITALITY LLP
16	AAL-1751	MAVEN SKILL VENTURE LLP
17	AAC-1749	DIVYA CONSOLIDATED LLP

Any person objecting to the proposed removal or striking off of name of the LLPs from the register of LLPs may send his or her objection to the office address here above within 30 days from the date of publication of this notice.

MUKESH KUMAR SONI, RoC

02 In the matter of 123 Limited Liability Partnerships (list enclosed)

[Issued by the Ministry of Corporate Affairs File. No ROCH/LLP Form-24/Sec.75-Rule-37(2)/Nos.123/2024 dated 25.06.2024.

In the matter of 123 Limited Liability Partnerships (list enclosed)

And

In the matter of Limited Liability Partnership Act, 2008 and Rules made thereunder,

- (1) Notice is hereby given that 123 LLPs (list enclosed) have made application in Form-24 to the Registrar, for striking off their names from the register, pursuant to sub-rule (1) (b) of Rule 37 of LLP Rules, 2009 and read with Section 75 of the LLP Act, 2008.
- (2) Pursuant to sub-rule (2) of Rule 37 of LLP Rules, 2009, the list of 123 LLP names is hereby placed on the website (www.mca.gov.in) for information of the public for a period of one month.
- (3) Notice is hereby given that unless a cause to the contrary is shown within the time of one month, the names of the 123 LLPs (mentioned in the enclosed list) shall be struck off from the Register and the said LLPs names will be published in the official Gazette and shall be dissolved on such Gazette publication.

PARVINDER SINGH, I.C.L.S

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

03 Notice by Registrar of removal of name of a Limited Liability Partnership from the Register

[Issued by the Ministry of Corporate Affairs File. ROCH/LLP Form-24/Sec.75-Rule-37 (2)/Nos.210/2024. dated 11.06.2024.

Notice is hereby given under sub-Rule (3) of Rule 37 of LLP Rules, 2009 that the names of the 210 Limited Liability Partnerships as per list attached have been struck off from the Register and the said Limited Liability Partnerships stand dissolved.

ANUMULA SRIKAR, I.C.L.S

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

04 Participation by Non-Resident Indians (NRIs), Overseas Citizens of India (OCIs) and Resident Indian (RI) individuals in SEBI registered FPIs based in International Financial Services Centres in India

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/AFD/AFD-POD-2/P/CIR/2024/89 dated 27.06. 2024]

1. SEBI vide Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors No. SEBI/HO/AFD/AFD-PoD-2/P/CIR/P/2024/70 dated May 30, 2024

(“FPI Master Circular”) has, inter alia, specified the conditions for participation by NRIs, OCIs and RI individuals in FPIs.

2. SEBI (Foreign Portfolio Investors) Second Amendment Regulations, 2024 were notified on June 26, 2024, amending the SEBI (Foreign Portfolio Investors) Regulations, 2019 (“FPI Regulations, 2019”), to inter alia, provide flexibility of having up to hundred percent aggregate contribution by NRIs, OCIs and RI individuals in the corpus of FPIs based in International Financial Services Centres (“IFSCs”) in India and regulated by International Financial Services Centres Authority (“IFSCA”). In view of the amendments to the FPI Regulations, 2019, the FPI Master Circular stands modified as follows:

- 2.1. The existing sub-para 1(ii)(e) and 1(ii)(f) of Part A shall be renumbered as sub-para 1(ii)(f) and 1(ii)(g), respectively.

- 2.2. After sub-para 1(ii)(d) of Part A, the following sub-para shall be inserted:

“e. The provisions of sub-clause (ii) of clause (c) of Regulation 4 of the FPI Regulations, 2019 shall not be applicable to an applicant based in IFSCs in India and regulated by IFSCA, subject to the following conditions:

MANISH KUMAR JHA
Deputy General Manager

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05 Statutory Committees at Market Infrastructure Institutions (MIIs)

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MRD/MRD-PoD-3/2024/088 dated 25.06. 2024]

1. In order to ensure effective oversight of the functioning of Stock Exchanges, Clearing Corporations and Depositories (hereinafter collectively referred as Market Infrastructure Institutions (MIIs)), SEBI at Paragraph 2.2 of Chapter 6 of Master Circular No. SEBI/HO/MRD2/PoD-2/CIR/P/2023/171 dated October 16, 2023 for ‘Stock Exchanges and Clearing Corporations’ and at paragraph 4.66 of Master Circular No. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2023/166 dated October 06, 2023 for ‘Depositories’, prescribed the guidelines with regard to the functions and composition of various statutory committees of MIIs.
2. Regulation 29 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred as “SECC Regulations, 2018”) & Regulation 30 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (hereinafter referred as “D&P Regulations, 2018”), inter alia, state that, MIIs shall have the following statutory committees:

- 2.1. Functional Committees:

- 2.1.1. Member Committee (MC)¹ and

- 2.1.2. Nomination and Remuneration Committee (NRC)

- 2.2. Oversight Committees:

- 2.2.1. Standing Committee on Technology (SCOT)

- 2.2.2. Regulatory Oversight Committee (ROC) and

- 2.2.3. Risk Management Committee (RMC)

2.3. Investment Committee

3. Based on the recommendations of the Committee on Strengthening Governance of Market Infrastructure Institutions, the functions, composition and Terms of Reference (TOR) of the statutory committees of MIIs were further deliberated in the Industry Standards Forum (ISF) of MIIs.
4. Taking into consideration the recommendations of the ISF of MIIs and subsequent deliberations, the revised TOR of statutory committees of MIIs is provided at Annexure–A.

HRUDA RANJAN SAHOO
Deputy General Manager

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06 System Audit of Professional Clearing Members (PCMs)

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MRD/TPD/P/CIR/2024/84 dated 20.06. 2024]

1. SEBI vide Master Circular No. SEBI/HO/MRD2/PoD-2/CIR/P/2023/171 dated October 16, 2023 at Clause 8.2 of Chapter 2 has specified the comprehensive framework for System Audit of Stock Brokers (SBs)/ Trading Members (TMs).
2. Based on the discussions with Clearing Corporations (CCs) and Technical Advisory Committee (TAC) of SEBI, it has been decided to devise the framework for system audit of Professional Clearing Members (PCMs).
3. In view of the same, PCMs are required to conduct System Audit as per the framework enclosed as Annexure 1 and Terms of Reference (TOR) enclosed as Annexure 2. PCMs are also required to maintain a list of all the relevant SEBI and CCs circulars/ directions/ advices, etc. pertaining to technology and compliance thereof, as per format enclosed as Annexure 3 and the same shall be included under the scope of System Audit.
4. PCMs are also required to submit information with regard to exceptional major Non-Compliances (NCs)/ minor NCs observed in the System Audit as per format enclosed as Annexure 4 and are required

to categorically highlight those observations/NCs/suggestions pointed out in the System Audit (current and previous) which remain open.

5. The Systems Audit report including compliance with SEBI/CCs circulars/guidelines and exceptional observation format along with compliance status of previous year observations shall be placed before the Governing Board of the PCM and then the report along with the comments of the Management of the PCM shall be communicated to CCs within one month of completion of audit.
 6. All CCs are jointly advised to devise the appropriate uniform penalty structure for PCMs to ensure that system audit reports are submitted to them within defined timelines as well as audit observations are closed within defined timelines.
 7. The provisions of the Circular shall come into force with immediate effect. The first audit shall be conducted for FY 2023-24.
 8. The circular is issued with the approval of the competent authority.
 9. This circular is being issued in exercise of the powers conferred by Section 11(1) of Securities and Exchange Board of India Act, 1992 to protect the interest of investors in securities market and to promote the development of, and to regulate the securities market.
 10. This circular is available on SEBI website at www.sebi.gov.in at “Legal Framework – Circulars”.
3. The variance in the market price and book value of such ICs and IHCs is adversely affecting liquidity, fair price discovery and the overall interest of investors in scrips of such companies.
 4. In order to address the above concern, based on the deliberations with various stakeholders including stock exchanges, public comments and recommendations of Secondary Market Advisory Committee of SEBI, it has been decided to put in place a framework for “special call auction with no price bands” for effective price discovery of scrips of such ICs and IHCs.
 5. The operational guidelines in this regard are as under:
 - 5.1. Criteria for identification of ICs or IHCs eligible for special call-auction:
 - i. The ICs or IHCs shall be identified based on the uniform industry classifications provided by stock exchanges.
 - ii. The scrip of ICs or IHCs should have been listed and available for trading for a period of at least 1 year and the said scrips are not suspended for trading.
 - iii. Total assets of the company invested in scrips of other listed companies shall be at least 50%;
 - iv. The 6-month Volume Weighted Average Price (VWAP) of the scrip shall be less than 50% of the book value per share of such company based on present value of their investments in shares of other listed companies. In case the scrips of such ICs or IHCs are not traded during the previous 6-months, the 6-months VWAP of the scrip shall be taken as zero.

ANSUMAN DEV PRADHAN
Deputy General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

07 Introduction of a special call auction mechanism for price discovery of scrips of listed Investment Companies (ICs) and listed Investment Holding Companies (IHCs)

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/86 dated 20.06. 2024]

1. Paragraph 17 of Chapter 1 of SEBI Master Circular No. SEBI/HO/MRD2/POD-2/CIR/P/2023/171 dated October 16, 2023 for “Stock Exchanges and Clearing Corporations” prescribed the framework for call auction session. The framework for call auction is applicable for pre-open sessions; pre-open sessions for Initial Public Offer (IPO) & relisted scrips; and illiquid Scrips.
2. It is observed that scrips of a few listed ICs and IHCs are being traded infrequently and at a price which is significantly lower than the book value disclosed by these companies in their latest audited financial statements. Moreover, these companies generally have no day-to-day operations and hold investments in different asset classes including in scrips of other listed companies.

HRUDA RANJAN SAHOO
Deputy General Manager

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08 Modification in duration for Call Auction in pre-open session for Initial Public Offer (IPO) and Relisted scrips

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/85 dated 20.06. 2024]

1. Paragraph 17.2 of Chapter 1 of SEBI Master Circular No. SEBI/HO/MRD2/POD-2/CIR/P/2023/171 dated October 16, 2023 for ‘Stock Exchanges and Clearing Corporations’ prescribed framework for call auction in pre-open session for Initial Public Offer (IPO) and relisted scrips.
2. It was observed that during the call auction in pre-open session for certain IPO and relisted scrips, orders were placed at higher price in large volumes and significant portion of such orders were cancelled just before the closure of call auction session. This may

have created false demand and supply and possibly manipulating the price of the scrips to the detriment of common investors.

- In order to curb the misuse of the call auction session, based on the report of Working Group of Stock Exchanges and recommendations of Secondary Market Advisory Committee of SEBI, it has been decided to modify the current provisions related to call auction session for IPO & relisted scrips and introduce additional surveillance measures at stock exchanges.
- Accordingly, paragraph 17.2.1 of the aforesaid Master Circular has been modified as under:

“17.2.1 Duration of Session

17.2.1.1. The session shall be for a duration of 60 minutes i.e. from 9:00 a.m. to 10:00 a.m., out of which 45 minutes shall be allowed for order entry, order modification and order cancellation, 10 minutes for order matching and trade confirmation and the remaining 5 minutes shall be the buffer period to facilitate the transition from pre-open session to the normal trading session.

17.2.1.2. The session shall close randomly during last ten minutes of order entry i.e. anytime between 35th and 45th minute of the order entry window. Such random closure shall be system driven.”

HRUDA RANJAN SAHOO
Deputy General Manager

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09 Contribution to Core Settlement Guarantee Fund and Default Waterfall for Limited Purpose Clearing Corporation (LPCC)

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MRD/MRD-PoD-2/P/CIR/2024/83 dated 19.06. 2024]

- Para 6.5, 6.8 and Para 6.11 of Chapter 3 (Settlements) of the SEBI Master circular for Stock Exchanges and Clearing Corporations dated October 16, 2023 prescribe guidelines to the contributions by various contributors to Core SGF of Limited Purpose Clearing Corporation (“LPCC”) and Default waterfall of LPCC respectively.
- Based on consultations with various stakeholders, SEBI notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Second Amendment) Regulations, 2023 (SECC Amendment Regulations, 2023) on July 24, 2023 to enable direct participation by participants in the LPCC for transacting in tri-party repo for corporate bonds. Accordingly, following Para (6.5.1.4) shall be included and Para 6.8.2 and 6.11.1 shall be revised and read as follows:

6.5. Contribution to Core SGF of Limited Purpose Clearing Corporation

6.5.1.4. Participants contribution:

Contribution of Participants who desire direct participation and not through a clearing member to Core SGF shall be risk based and equivalent to deficit in MRC post contribution by Issuers and Clearing Members. The said contribution by Participants shall be subject to the following conditions:

that no exposure shall be available on Core SGF contribution of any Participant (exposure-free collateral of participants available with CC can be considered towards Core SGF contribution of Participants), and that required contributions of individual Participants shall be pro-rata based on the risk they bring to the system.

LPCC shall have the flexibility to collect Participant primary contribution, including flexibility to either collect the Participant primary contribution upfront or staggered over a period of time. In case LPCC does not seek contribution from Participants or seeks staggered contribution, the remaining balance shall be met by LPCC to ensure adequacy of total Core SGF corpus at all times. Such LPCC contribution shall be available to LPCC for withdrawal as and when further contributions from Participants are collected / received.

The term ‘Participant’ would be construed as defined in the Regulation 10A (1) of the SEBI (Stock Broker) Regulations 1992.

VISHAL SHUKLA
General Manager

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10 Modification in Framework for Offer for Sale (OFS) of Shares to Employees through Stock Exchange Mechanism

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/82 dated 14.06. 2024]

- SEBI vide Master Circular No. SEBI/HO/MRD2/PoD-2/CIR/P/2023/171 dated October 16, 2023 at paragraph 19 of Chapter 1 has specified the comprehensive framework on Offer for Sale (OFS) of shares through stock exchange mechanism. Further, SEBI vide Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/6 dated January 23, 2024 issued Framework for Offer for Sale (OFS) of Shares to Employees through Stock Exchange Mechanism.

2. Paragraph 5 of SEBI Circular dated January 23, 2024 prescribed the procedure for offering of shares to the employees in OFS through stock exchanges. Paragraphs 5 (i) and (vi) of the said circular states as under:

"5. (i) OFS to employees shall be on T+1 day along with the retail category under a new category called as "Employee".

(vi) Employees shall place bids only at cut-off price of T+1 day. The allotment price shall be based on the Cut-off of the retail category, subject to discount, if any."

3. Based on the feedback received from certain stakeholders and deliberations in the Secondary Market Advisory Committee of SEBI (SMAC), it has been decided that employees shall place bids on T+1 day at cut-off price of T day.
4. Accordingly, paragraph 5(vi) of SEBI Circular dated January 23, 2024 shall be read as under:
- "5. (vi) Employees shall place bids only at cut-off price of T day. The allotment price shall be based on the Cut-off of the T day, subject to discount, if any."*
5. All other provisions of the aforesaid circulars shall remain unchanged.
6. The provisions of this circular shall come into effect from 30th day of issuance of this circular.
7. All MIIs are advised to:

- i. take necessary steps and put in place necessary systems for implementation of the above.
- ii. make necessary amendments to the relevant bye-laws, rules and regulations, wherever required, for the implementation of the above; and
- iii. bring the provisions of this circular to the notice of the market participants (including investors) and disseminate the same on their website.

8. This circular is issued in exercise of the powers conferred under section 11(1) of the Securities and Exchange Board of India Act 1992 read with regulation 51 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, section 26(3) of the Depositories Act, 1996 and regulation 97 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
9. This circular is available on SEBI website at www.sebi.gov.in at "Legal Framework - Circulars."

HRUDA RANJAN SAHOO
Deputy General Manager

11 (a) Ease of Doing Investments- Non-submission of 'Choice of Nomination'

(i) Doing away with freezing of Demat Accounts and Mutual Fund Folios for existing investors;
(ii) To remove freeze on payment of corporate benefits and service of physical folios;
(b) Only 3 fields to be provided mandatorily for updating Nomination Details

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated 10.06. 2024]

1. SEBI, vide circular no. SEBI/HO/MIRSD/POD-1/CIR/2023/193 dated December 27, 2023 extended the last date for submission of 'choice of nomination' for demat accounts and mutual fund folios to June 30, 2024 failing which demat accounts/folios shall be frozen for debits.
2. Further, as provided in Master Circular for RTAs dated May 07, 2024, the security holders holding securities in physical form whose folio(s) do not have PAN, Choice of Nomination, Contact Details, Bank Account Details and Specimen Signature updated, shall be eligible:
 - 2.1. to lodge grievance or avail any service request from the RTA only after furnishing PAN, KYC details and Nomination.
 - 2.2. for any payment including dividend, interest or redemption payment in respect of such folios, only through electronic mode with effect from April 01, 2024. An intimation shall be sent by the Listed Company to the security holder that such payment is due and shall be made electronically only upon complying with the above requirements.
3. Based on representations received from the market participants, for ease of compliance and investor convenience, the following has been decided for existing investors/ unitholders:
 - 3.1. Non-submission of 'choice of nomination' shall not result in freezing of Demat Accounts as well as Mutual Fund Folios.
 - 3.2. Securityholders holding securities in physical form shall be eligible for receipt of any payment including dividend, interest or redemption payment as well as to lodge grievance or avail any service request from the RTA even if 'choice of nomination' is not submitted by these securityholders.
 - 3.3. Payments including dividend, interest or redemption payment withheld presently by the Listed Companies/RTAs, only for want of 'choice of nomination' shall be processed accordingly.

ARADHANA VERMA
General Manager

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12 Uploading of KYC information by KYC Registration Agency (KRAs) to Central KYC Records Registry (CKYCRR)

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/SECFATF/P/CIR/2024/79 dated 06.06.2024]

1. The KYC record of a client is uploaded on the system of KRAs by the intermediaries performing client due diligence as per the provisions of SEBI KRA Regulations, 2011. Additionally, the KYC information is uploaded on CKYCRR by the intermediaries in terms of SEBI master circular SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated Oct 12, 2023 on KYC norms in securities market.
2. In this regard, based on the feedback received from stakeholders in securities market and to enable ease of doing business, the following clauses of the SEBI master circular on KYC norms stand modified.
 - 2.1. Para 114 (a) shall be inserted as under:

Registered intermediaries shall continue to upload/ download/ modify the KYC information with proper authentication on the systems of KRA, as per the provisions of SEBI KRA Regulations, 2011.
 - 2.2. Para 115 of the master circular shall read as under:

KRAs shall upload the verified/ validated KYC information onto the system of CKYCRR within 7 days of receiving the same from intermediaries or any other timeline as notified under PML Rules. The KRAs shall integrate their systems with CKYCRR and commence the uploading of KYC records on CKYCRR from August 01, 2024.
 - 2.3. Para 116 of the master circular shall read as under:

KRAs shall ensure that existing KYC records of legal entities and of individual clients are uploaded on to CKYCRR within a period of 6 months from August 01, 2024.
3. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 17 of the SEBI{KYC (Know Your Client) Registration Agency}Regulations, 2011 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
4. This circular is available at www.sebi.gov.in under the link "Legal --- Circulars".

SAPNA SINHA
Deputy General Manager

13 Framework of "Financial Disincentives for Surveillance Related Lapses" at Market Infrastructure Institutions

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/ISD/ISD-PoD-1/P/CIR/2024/73 dated 06.06.2024]

1. Market infrastructure Institutions (i.e. Stock Exchanges, Clearing Corporations and Depositories) are systemically important institutions for the development of the securities market. The role of surveillance at Market Infrastructure Institutions ("MIIs") has become crucial in ensuring the safety and integrity of securities market in view of the significant increase in trading activity during the past few years, increased participation by retail individual investors, increased trading activity in the derivatives segment and deployment of new trading techniques and strategies by market participants.
2. MIIs, being the first-level regulators, are expected to be in the know of the ground realities of the securities market and their constituents and updations thereof. The MIIs, supervise their members in terms of the respective by-laws framed under the Securities Contracts (Regulation) Act, 1956 ("SCRA") / Depositories Act, 1996. They need to be well equipped to detect market abuse, including new modus-operandi that could be adopted by unscrupulous elements and take suitable, prompt, effective and preventive action against such activities.
3. The Securities and Exchange Board of India Act, 1992 ("SEBI Act, 1992") inter alia requires the Securities and Exchange Board of India ("SEBI") to protect the interest of investors in securities and to regulate the market through measures that may provide for regulating the business in the stock exchanges and the working of the depositories.
4. Regulation 49 (2) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations, 2018") empowers SEBI to take action against a recognised stock exchange or recognised clearing corporation for any contravention of the SCRA, the SEBI Act, 1992, any rules or regulations framed thereunder and any circulars or directions issued by SEBI. Similarly, Regulation 91A (2) of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 ("DP Regulations, 2018") empowers SEBI to take action against a depository for any contravention of the SEBI Act, 1992, the Depositories Act, 1996, any rules or regulations framed thereunder and any circulars or directions issued by SEBI.
5. As per Regulation 28 (2) read with Part-C of Schedule II of the SECC Regulations, 2018, the surveillance function of a Stock Exchange is considered as a core function. Similarly, Regulation 2 (k) (iii) read with Fourth Schedule of the DP Regulations, 2018 classifies surveillance as part of the core functions of the Depository.

VERSHA AGARWAL
General Manager

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14 Enhancement of operational efficiency and Risk Reduction - Pay-out of securities directly to client demat account

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated 05.06.2024]

1. SEBI, vide Master Circular for Stock Brokers dated May 22, 2024, inter alia, specified various processes for handling of clients' securities with regard to pay-in and pay-out of securities. This is to protect clients' securities and to ensure that the stock broker segregates securities of the client or clients so that they are not vulnerable to misuse.
2. The matter related to the funds of the clients has been addressed through upstreaming and downstreaming of funds mechanism. The matter related to flow of securities also needs to be addressed for the payout of securities. Currently, the securities received in payout are pooled by the broker and then credited to the respective client demat accounts.
3. It is to be mentioned that the direct payout to client account was already facilitated on voluntary basis vide circular SMDRP/Policy/Cir-05/2001 dated February 01, 2001. It has been decided that the process of securities payout directly to the client account shall now be mandatory.
4. SEBI had extensive discussions with the Stock Exchanges, Clearing Corporations (CCs) and Depositories. The proposal was also discussed in the meeting of Intermediary Advisory Committee and with Broker's Industry Standards Forum (ISF), which comprise of industry representatives. Accordingly, after extensive deliberations, the following has been decided:
 - 4.1. The securities for pay-out shall be credited directly to the respective client's demat account by the CCs.
 - 4.2. CCs shall provide a mechanism for Trading Member(TM)/Clearing Members (CM) to identify the unpaid securities and funded stocks under the margin trading facility.
 - 4.3. With regard to unpaid securities, the processes as specified at para 45 of SEBI "Master Circular for Stock Brokers" dated May 22, 2024 shall be applicable.
 - 4.4. With regard to funded stocks under the margin trading facility, para 41.9 of SEBI "Master Circular for Stock Brokers" dated May 22, 2024, is amended as follows.

"41.9. Funded stocks held by the TM / CM under the margin trading facility shall be held by the TM / CM only by way of pledge. For this purpose, the TM / CM shall be required to open a separate demat account tagged 'Client Securities under Margin Funding Account' in which only funded stocks in respect of margin funding shall be kept/ transferred, and no other transactions shall be permitted. Such funded stocks shall be transferred to

respective client's demat account followed by creation of an auto-pledge (i.e., without the requirement of a specific instruction from the client) with suitable reason, in favor of 'Client Securities under Margin Funding Account'."

ARADHANA VERMA
General Manager

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15 Disclosures of Material Changes and Other Obligations for Foreign Portfolio Investors

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/AFD/AFD-POD-2/P/CIR/2024/76 date 05.06.2024]

1. SEBI vide "Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors" No. SEBI/HO/AFD/AFD-PoD-2/P/CIR/P/2024/70 dated May 30, 2024 (hereinafter referred to as the 'FPI Master Circular') has, inter alia, specified the timelines for disclosure of certain material changes/events.
2. SEBI (Foreign Portfolio Investors) (Amendment) Regulations, 2024 were notified on June 03, 2024, amending the SEBI (Foreign Portfolio Investors) Regulations, 2019, inter alia, to relax the timelines for disclosure of material changes/events and other obligations by Foreign Portfolio Investors (FPIs).
3. In view of the above amendments, the FPI Master Circular stands modified as follows:
 - 3.1. Para 14 of Part A stands modified as under:
 - "i. In terms of Regulation 22, if there is any change in the material information previously furnished by the FPI to the DDP and/or SEBI, which has a bearing on the certificate granted by the DDP on behalf of the Board, it shall inform the DDP and/or the Board in writing, in the following manner:
 - a. "Type I" material changes shall be informed by FPIs as soon as possible and within seven working-days of the occurrence of the change and the supporting documents (if any) shall be provided within 30 days of such change. This category shall include critical material changes that
 - I. render the FPI ineligible for registration
 - II. require FPI to seek fresh registration
 - III. render FPI ineligible to make fresh purchase of securities
 - IV. impact any privileges (e.g. QIB) available or granted to the FPI under the extant regulatory framework
 - V. impact any exemptions available or granted to the FPI under the extant regulatory framework

MANISH KUMAR JHA
Deputy General Manager

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16 Framework for providing flexibility to Foreign Portfolio Investors in dealing with their securities post expiry of their registration

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/AFD/AFD-PoD-2/P/CIR/2024/77 dated 05.06.2024]

1. SEBI vide “Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors” No. SEBI/HO/AFD/AFD-PoD-2/P/CIR/P/2024/70 dated May 30, 2024 (hereinafter referred to as the ‘FPI Master Circular’) has, inter alia, specified the guidelines for registration of FPIs and the investment conditions/ restriction on FPIs under Part A and Part C of the FPI Master Circular respectively. The FPI Master Circular has been amended vide SEBI Circular No. SEBI/HO/AFD/AFD-POD-2/P/CIR/2024/76 dated June 05, 2024. Further, SEBI vide Master Circular for Custodians No. SEBI/HO/AFD/AFD-PoD-2/P/CIR/2024/40 dated May 10, 2024 (hereinafter referred to as the ‘Custodian Master Circular’) has, inter alia, specified the reporting requirements for Custodians under Chapter IV of the Custodian Master Circular.
2. SEBI (Foreign Portfolio Investors) (Amendment) Regulations, 2024 were notified on June 03, 2024, amending the SEBI (Foreign Portfolio Investors) Regulations, 2019, inter alia, for providing flexibility to Foreign Portfolio Investors (FPIs) in dealing with their securities post expiry of their registration.
3. In view of the amendments to the SEBI (FPI) Regulations, 2019 referred to at Para 2 above, the FPI Master Circular stands modified as follows:
 - 3.1. Para 4 of Part A of the FPI Master Circular stands modified as under:

“4. Continuance of Registration

 - i. FPIs who wish to continue with their registration for the subsequent block of three years, should pay the fees to their DDPs and inform change in information, if any, as submitted earlier.
 - ii. In case of no change in information, FPIs shall give declaration that there is no change in the information, as previously furnished.
 - iii. FPI shall provide the additional information, if applicable, along with supporting documents including fees for continuance of its registration at least 15 days prior to current validity of its registration in order to facilitate a smooth continuance process. FPI is required to submit a reason for delay, if any, in delayed submission of such information/fees.
 - iv. If DDP is in receipt of registration fees prior to validity date but the due-diligence including KYC review is not complete by the validity date due to non-submission of information by the FPI, no further purchases may be permitted until intimation of continuance is given by DDP.
 - v. An FPI who fails to pay the requisite fees before expiry of validity of its registration shall be permitted to pay the same along with a late fee and re-activate its registration within a period of 30 days from the date of such expiry. The re-activation of registration shall be subject to the FPI complying with applicable KYC and Anti Money Laundering/Countering the Financing of Terrorism (AML/CFT) requirements. The FPI shall be permitted to dispose the securities held in its account during the period from expiry of registration till re-activation of registration. However, no fresh purchases of securities shall be permitted from expiry of registration till re-activation of registration.
 - vi. Where the FPI has not paid fees for continuance of its registration within the prescribed timelines, its FPI registration shall cease to be valid after the date, up to which, the last registration fees were duly paid by the FPI.
 - vii. DDPs shall send suitable reminders to their respective FPI clients for renewal of registration well in advance of such expiry.
 - viii. An FPI whose registration has expired and has failed to re-activate its registration within the prescribed time period, shall be permitted to dispose the securities held in its account within 180 days from the expiry of the prescribed 30 days’ time period for reactivation of registration. The remittance of sale proceeds to the FPI shall be subject to applicable KYC, AML/CFT requirements.
 - ix. It is clarified that till the expiry of the aforementioned 180-day period the monetary/non-monetary corporate benefits/voting rights with respect to such securities, if any, shall continue to accrue to the FPI.”

MANISH KUMAR JHA
Deputy General Manager

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17 Priority Sector Lending – Amendments to the Master Directions

[Issued by the Reserve Bank of India vide RBI/2024-25/44 FIDD.CO.PSD. BC.No.7/04.09.01/2024-25 dated 21.06.2024]

Please refer to Master Directions (MD) on Priority Sector Lending (PSL) dated September 04, 2020 as updated from time to time. The following paras of the Directions stand amended in view of factors detailed thereunder.

2. Para 7 - Adjustments for weights in PSL Achievement:

The MD specifies that the lists of districts with comparatively high and low PSL credit detailed in Annex IA and IB of the MD are valid until FY 2023-

24 subject to review thereafter. Based on a review, the lists of districts have been updated. These lists will remain valid until FY 2026-27 and will be reviewed thereafter. Accordingly, from FY 2024-25 onwards, a higher weight (125%) would be assigned to the incremental priority sector credit in the identified districts where the credit flow is comparatively lower (per capita PSL less than Rs 9,000), and a lower weight (90%) would be assigned for incremental priority sector credit in the identified districts where the credit flow is comparatively higher (per capita PSL greater than Rs 42,000). Therefore, para 7 of the MD on PSL has been updated as mentioned above.

3. Para 9 - Micro, Small & Medium Enterprises:

The definition of MSMEs has been referenced to the Master Direction - Lending to Micro, Small & Medium Enterprises (MSME) Sector, for clarity.

4. Para 27 - Monitoring of Priority Sector Lending targets:

The MD specifies that UCBs shall furnish data on priority sector advances in the reporting formats 'Statement I' and 'Statement II (Part A to D)' at quarterly and annual intervals, to the Regional Offices of DoS, RBI. This provision has been repealed in terms of Master Direction - Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024 (MD on FSR) dated February 27, 2024. The applicable return for reporting PSL data by UCBs has been prescribed at Sl. No. 61 of Annex III of the MD on FSR. Accordingly, para 27 of MD as applicable to UCBs has been updated.

5. The relevant amendments made in the MD on PSL are detailed in the Annex.

6. The Master Directions and FAQs on Priority Sector Lending on the Bank's website have been updated accordingly.

NISHA NAMBIAR
Chief General Manager

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18 International Trade Settlement in Indian Rupees (INR) – Opening of additional Current Account for settlement of trade transactions

[Issued by the Reserve Bank of India vide RBI/2024-2025/43 FED Circular No. 11 dated 11.06.2024]

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to FED Circular No. 08 dated November 17, 2023, in terms of which, AD Category-I banks maintaining Special Rupee Vostro Account vide A.P. (DIR Series) Circular No.10 dated July 11, 2022 on International Trade Settlement in Indian Rupees (INR) were permitted to open an additional special current account for its constituents, exclusively for settlement of export transactions.

2. On a review, and to provide operational flexibility,

the facility of opening an additional special current account by the AD Category-I banks (maintaining Special Rupee Vostro Account in terms of the RBI circular dated July 11, 2022 referred above) for its constituents may be extended for settlement of their export as well as import transactions.

3. The contents of this circular may be brought to the notice of your constituents.

N. SENTHIL KUMAR
General Manager

19 Export-Import Bank of India (Exim Bank)'s Government of India-supported Line of Credit of USD 23.37 mn to the Government of the Co-operative Republic of Guyana (GO-GUY), for procurement of two Hindustan 228-201 aircraft from Hindustan Aeronautics Ltd.

[Issued by the Reserve Bank of India vide RBI/2024-2025/42 .P. (DIR Series) Circular No. 10 dated 11.06.2024]

Export-Import Bank of India (Exim Bank) has entered into an agreement dated March 15, 2024 with the Government of the Co-operative Republic of Guyana (GO-GUY), for making available to the latter, Government of India supported Line of Credit (LoC) of USD 23.37 mn (USD Twenty-Three Million Three Hundred Seventy Thousand Only) for procurement of two Hindustan 228-201 aircraft from Hindustan Aeronautics Ltd. The export of eligible goods and services from India, as defined under the agreement, would be allowed subject to their eligibility under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this agreement. Out of the total credit by Exim Bank under the agreement, goods, works and services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India, and the remaining 25 per cent of goods and services may be procured by the seller for the purpose of the eligible contract from outside India.

2. The Agreement under the LoC is effective from April 08, 2024. Under the LoC, the last date for disbursement will be 48 months after scheduled completion date of the project.

3. Shipments under the LoC shall be declared in Export Declaration Form/Shipping Bill as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable for export under the above LoC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer (AD) Category- I banks may allow such remittance after realization of full eligible value of export subject to compliance with the extant instructions for payment of agency commission.

5. AD Category – I banks may bring the contents of this circular to the notice of their exporter constituents

and advise them to obtain complete details of the LoC from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or from their website www.eximbankindia.in

- The directions contained in this circular have been issued under section 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

N SENTHIL KUMAR
General Manager

20 Foreign Exchange Management (Overseas Investment) Directions, 2022 - Investments in Overseas Funds

[Issued by the Reserve Bank of India vide RBI/2024-25/41 A.P. (DIR Series) Circular No. 09 dated 07.06.2024]

Attention of Category-I Authorised Dealer Banks is invited to Paragraph 1(ix)(e) of Foreign Exchange Management (Overseas Investment) Directions, 2022, issued vide A.P. (DIR Series) Circular No.12 dated August 22, 2022, in terms of which, investment (including sponsor contribution) in units of any investment fund overseas, duly regulated by the regulator for the financial sector in the host jurisdiction, shall be considered as Overseas Portfolio Investment. Further, as per the provisions of Paragraph 1(ix)(e) and Paragraph 24(1) of FEM (OI) Directions, 2022, investments can be made in "units" of investment funds.

- In this regard, in view of the diverse regulatory framework governing investment funds across various jurisdictions and to provide clarity, the following amendments are carried out in the Foreign Exchange Management (Overseas Investment) Directions, 2022:

- Existing Paragraph 1(ix)(e) of FEM (OI) Directions, 2022 is replaced with the following:

"The investment (including sponsor contribution) in units or any other instrument (by whatever name called) issued by an investment fund overseas, duly regulated by the regulator for the financial sector in the host jurisdiction, shall be treated as OPI. Accordingly, in jurisdictions other than IFSCs, listed Indian companies and resident individuals may make such investment. Whereas in IFSCs, an unlisted Indian entity also may make such OPI in units or any other instrument (by whatever name called) issued by an investment fund or vehicle, in terms of schedule V of the OI Rules subject to limits, as applicable.

Explanation: 'investment fund overseas, duly regulated' for the purpose of this para shall also include funds whose activities are regulated by financial sector regulator of host country or jurisdiction through a fund manager."

- Existing Paragraph 24(1) of FEM (OI) Directions, 2022 is replaced with the following:

"A person resident in India, being an Indian entity or a resident individual, may make investment

(including sponsor contribution) in units or any other instrument (by whatever name called) issued by an investment fund or vehicle set up in an IFSC, as OPI. Accordingly, in addition to listed Indian companies and resident individuals, unlisted Indian entities also may make such investment in IFSC."

- Foreign Exchange Management (Overseas Investments) Directions, 2022 issued vide A.P. (DIR Series) Circular No.12 dated August 22, 2022, shall accordingly be updated to reflect the above changes. AD Category-I Banks may bring the contents of this circular to the notice of their constituents.
- The directions in this circular have been issued under Section 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

N SENTHIL KUMAR
General Manager

21 Amendment to Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016

[Issued by the Reserve Bank of India vide RBI/2024-25/40 DoR.SPE.REC. No.24/13.03.00/2024-2025 dated 07.06.2024]

Please refer to paragraph 3(a)(i) of the Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated March 03, 2016, wherein the definition of "Bulk Deposits" has been prescribed.

- On a review, it has been decided to revise the definition of bulk deposits for all Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks. The term "Bulk Deposit" would now mean:
 - Single Rupee term deposits of Rupees three crore and above for Scheduled Commercial Banks (excluding RRBs) and Small Finance Banks.
 - Single Rupee term deposits of Rupees one crore and above for Local Area Banks as applicable in case of Regional Rural Banks.
- The relevant provisions of the Master Direction are being modified to reflect the changes as given in the Annex. All other instructions in this regard shall remain unchanged.
- These instructions are issued in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949.

Applicability

- These instructions shall be applicable to all Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks.

Commencement

These instructions shall come into force with immediate effect.

LATHA VISHWANATH
Chief General Manager