

# Info Capsule

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THE INSTITUTE OF  
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

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## **1. GUIDELINES FOR RIGHTS ISSUE OF UNITS BY A LISTED INFRASTRUCTURE INVESTMENT TRUST (InvIT) Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2020/10 (Dated 17<sup>th</sup> January, 2020)**

Regulation 2(1)(zw) of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (“InvIT Regulations”), defines a “rights issue” as an offer of units by a listed InvIT to the unitholders of the InvIT as on the record date fixed for the said purpose.

This circular details the guidelines in respect of a rights issue of units by a listed InvIT, specifically providing for Conditions for issuance, Pricing of Units, Manner of issuance of units, Appointment of merchant banker(s) and other intermediaries, Subscription, Allotment and Listing of Units, Restriction on further capital issues.

The detailed Circular is available at: <https://www.sebi.gov.in/legal/circulars/jan-2020/guidelines-for-rights-issue-of-units-by-a-listed-infrastructure-investment-trust-invit-45713.html>

## **2. GUIDELINES FOR RIGHTS ISSUE OF UNITS BY A LISTED REAL ESTATE INVESTMENT TRUST (REIT) Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2020/09 (Dated 17<sup>th</sup> January, 2020)**

Regulation 2(1)(zq) of Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 (“REIT Regulations”), defines a “rights issue” as an offer of units by a listed REIT to the unitholders of the REIT as on the record date fixed for the said purpose.

This circular details the guidelines in respect of a rights issue of units by a listed REIT, specifically providing for Conditions for issuance, Pricing of Units, Manner of issuance of units, Appointment of merchant banker(s) and other intermediaries, Subscription, Allotment and Listing of Units, Restriction on further capital issues.

The detailed Circular is available at: <https://www.sebi.gov.in/legal/circulars/jan-2020/guidelines-for-rights-issue-of-units-by-a-listed-real-estate-investment-trust-reit-45712.html>

**3. *FORMAT FOR STATEMENT INDICATING DEVIATION OR VARIATION IN THE USE OF PROCEEDS OF ISSUE OF LISTED NON-CONVERTIBLE DEBT SECURITIES OR LISTED NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES (NCRPS) Circular No. SEBI/HO/DDHS/08/2020( Dated 17<sup>th</sup> January, 2020)***

As per Regulations 52(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), a listed entity is required to submit to the stock exchange, a statement indicating deviation or variation, if any, in the use of proceeds of issue of non-convertible debt securities or non-convertible redeemable preference shares (NCRPs), from the objects stated in the offer document/Information memorandum.

SEBI vide circular no. CIR/CFD/CMD1/162/2019 dated December 24, 2019, has prescribed a format for the statement indicating deviation or variation in the use of proceeds of issue for entities whose specified securities are listed.

SEBI has now issued a similar format for listed entities which have listed its non-convertible debt securities or NCRPs on the stock exchange(s). Accordingly, it has been decided that listed entities which have issued non-convertible debt securities or NCRPs, shall submit the statement indicating deviation or variation, if any, in the given format on half yearly basis.

The salient features of the format are as under:

- a. **Applicability:** The format for the statement indicating deviation or variation shall be applicable for funds raised by entities through issuance of non-convertible debt securities or NCRPs, which are listed.
- b. **Frequency of Disclosure:** The statement indicating deviation or variation shall be submitted to the Stock Exchange(s) on half yearly basis within 45 days of end of the half year until such funds are fully utilised or the purpose for which these proceeds were raised has been achieved.
- c. **Role of the Audit Committee:** The statement indicating deviation report shall be placed before the Audit Committee of the listed entity for review on half yearly basis and after such review, the comments of Audit Committee along with the report shall be disclosed/submitted to the stock exchange, as part of the format. In cases where the listed entity is not required to have an audit committee under the provisions of SEBI LODR Regulations or Companies Act, 2013, the word 'Audit Committee' shall be replaced with 'Board of Directors'

The first such submission shall be made by the listed entities for the half year ended March 31, 2020; subsequent submissions shall be made on half yearly basis as explained above.

The detailed circular is available at <https://www.sebi.gov.in/legal/circulars/jan-2020/format-for-statement-indicating-deviation-or-variation-in-the-use-of-proceeds-of-issue-of-listed-non-convertible-debt-securities-or-listed-non-convertible-redeemable-preference-shares-ncrps-45710.html>