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MCA Applies certain section of Co.'s Act to LLP – Compliance set to get stricter for LLPs!!!

The Limited Liability Partnership (Amendment) Act, 2021 has been notified vide the Ministry of Corporate Affairs (MCA) notification dated 11 February 2022 and shall be effective from 1 April 2022. The LLP Amendment Rules, 2022 have also been notified on 11 February 2022 and they shall also be effective from 1 April 2022.

Section 67 of the Limited Liability Partnership Act 2008 (LLP Act) gives powers to the Central Government to make such sections of Companies Act, 2013 as it may deem fit, applicable to any LLP with exceptions, modifications and adaptations, through a notification in the Official Gazette.

In accordance with powers conferred by Section 67 of LLP Act, MCA vide another notification dated 11th February, 2022 made following sections of Companies Act, 2013 (the Act) applicable to LLPs also with some basic modifications, as mentioned in this notification.

In this newsletter, we shall discuss about these modified sections made applicable to LLPs and the ambiguities arising due to references in these sections about some other sections of the Act which are not made applicable to LLPs:-

Sections	Particulars	Remarks
Sec. 90 (1) to (11) Investigation of beneficial ownership of shares in certain cases	· Declaration by Significant Beneficial Owners (SBO) by individuals as per Companies (SBO) Rules, 2019 applicable to companies in BEN-1 format · Filing declaration received from SBOs of LLP and changes therein with ROC in BEN-2 format · Maintenance of Register of Interest declared by such Individuals in BEN-3 format · Taking necessary steps for identification of SBO and requiring him to comply with provisions · Giving notice in BEN-4 format to any person whom LLP knows or has reasonable cause to believe to have knowledge of SBO or be a SBO and not registered as SBO · If no satisfactory information was given by such person within 30 days of sending BEN-4, then appling to National Company Law Tribunal (NCLT)	· Whether MCA will come up with separate rules w.r.t SBO for LLPs or not is not clear as Rules issued as on 11th February 2022 relating to sections of LLP Act amended by LLP (Amendment) Act, 2021 do not include separate rules relating to SBO of LLPs. Hence, it appears that SBO Rules applicable for companies might have to be applied for identifying SBO of LLPs · Further the Form in which LLP should file as return of SBO is also not clear. Hence, LLPs might have evaluate whether e-form BEN-2 can be used for filing the details of SBO with ROC.
Sec. 164- Disqualifications for Appointment of Director	· Conditions disqualifying a person from being appointed as director, prescribed under section 164(1) and (2) of the Act shall apply to appointment of designated partners of LLP as well.	· It appears that DP who is disqualified can be retained as partner in that LLP and can become partner in other LLPs also.

	· Post 11 February 2022, any person who has incurred any disqualification mentioned under sec 164, shall not be eligible to become a designated partner (DP) of any LLP or to continue as designated partner in said LLP. However, where a person becomes a designated partner of LLP which is in default will not incur disqualification for a period of 6 months, from the date he becomes DP. This is in line with the Act	· Further if all the partners of LLP are bodies corporate and DP of such LLPs, being nominee of said bodies corporate get disqualified, then such bodies corporate will need to appoint new individuals fulfilling criteria as DP as their nominees · Clause (g) of Sub-sec (1) of Sec. 164 of Companies Act, 2013 states that "he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years" There is ambiguity w.r.t. applicability of this point of disqualification also, as Sec. 188 is not applicable in case of LLPs.
Sec. 165 – Number of Directorship	· Person can now become designated partner of maximum 20 LLPs only at a time · Transition period to fulfil the said criteria by tendering resignation as DP is 1 year from 11 February, 2022	· Contravention of the same leads to Fine ranging between 5k to 25k. Although this offence is adjudicatable under the Act, but under LLP Act, it is not adjudicatable and might lead to prosecution.
Sec. 167 Vacation of office of Director	· All conditions specified under section 167, leading to vacation of office of director shall now apply to designated partners of LLP as well	· One of the ground of vacation is incurring disqualification u/s 164(2). For Companies – it is clear that in case of vacation on such ground, such director will vacate office from all other Companies where he is director, other than defaulting company itself. However, in case of LLP, there is an ambiguity, as the modified Sec. 164 (as applicable to LLPs) states that DP cannot continue as DP in that defaulting LLP as well as cannot become DP in other LLPs. Hence, it appears that the wordings of Sec. 167 (as applicable to LLPs) are contradictory to the wordings of Sec 164 (as applicable to LLPs) as Section 167 states about that vacation from all other LLPs other than defaulting LLP. Hence whether such disqualified DP can continue as DP in defaulting LLP or not is a subject of clarification from MCA.

		· Another ground of vacation is "if DP fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184." Whether it will become a ground for vacation in case of DPs also is not clear, as Sec. 184 is not applicable in case of LLPs and there is no such requirement of disclosure of interest in case of LLP.
Section 252	· Alike companies, LLPs and persons relating to it can make application to NCLT for restoration of name of struck off LLPs within prescribed time period i.e. 5 years of striking off name of LLP from Registrar of Companies.	· Earlier there were no provision of restoration of LLP. To address that situation, Sec. 252 of Companies Act, 2013 was made applicable to LLPs

Further following sections also made applicable to LLP with effect from 11 February, 2022:

Section 206 - the notification dated 11 February 2022 makes only sub-section 5 of section 206 and not whole section 206 applicable to LLPs. As per this sub-section (5), the Central Government has power to order inspection of books of LLP through an inspector like it does for companies.

Section 207 – Similarly, only sub-section (3) of section 207 is made applicable to LLPs. It provides that in case of inspection, the inspector shall have powers of civil court under the Code of Civil Procedure (CPC) and therefore he can demand discovery and production of any documents of LLP, can summon and enforce the attendance of any person and examine him on oath and take inspection of any registers and documents of LLP.

Section 439 - this section makes the offences done by LLP and designated partners non-cognisable like those in case of companies.

Link of this notification on MCA can be given here:
https://egazette.nic.in/WriteReadData/2022/233372.pdf

Can interest be clubbed with the principal amount to be as part of the Operational Debt to arrive at the minimum threshold?

In the matter of CBRE South Asia Pvt. Ltd.(Applicant) Vs. M/s. United Concepts and Solutions Pvt. Ltd.(Corporate Debtor) at National Company Law Tribunal New Delhi Bench in the order dated 19 Jan, 2022

Facts of the case:

- M/s. CBRE South Asia Pvt. LtdApplicant/Operational Creditor –filedan Application u/s 9 of the Insolvency and Bankruptcy Code,2016 (IBC/Code)to initiate the Corporate Insolvency Resolution Process (CIRP) against M/s. United Concepts and Solutions Private Ltd. (Corporate Debtor/CD).
- During the course of preliminary hearingand while going through the particulars of the of the Application, it was observed by National Company Law Tribunal (NCLT)that the Applicant claimed a total amount of Rs.1,39,84,400/- as Operational Debt, out of which Rs. 88,50,886/- only was the principal amount and the remaining Rs. 51,33,514/- was the interest component.
- Since the principal outstanding claimed by the Operational Creditor was less than Rs. 1 Crore, a query to the Applicant was raised by NCLT as to whether the Principal and Interest amounts can be clubbed together to reach the minimum threshold of Rs. 1 Crore as stipulated u/s 4 of the IBC.

Argument of the Applicant:

- The invoices raised in support of debt contained the provision of interest and accordingly, the applicant has claimed the interest as part of the Operational Debt.
- The date of default is of 2019 hence the limit of Rs. 1 Crore was not be applicable.
- Also relied on the Judgement of Hon'ble NCLAT in the matter of *Jumbo Paper Products Vs HansrajAgrofreshPvt. Ltd.,* dated 25 October 2021.

Question for Consideration:

Whether the Principal and Interest amounts can be clubbed together to reach the minimum threshold of Rs. 1 Crore as stipulated u/s 4 of IBC, 2016

Held:

- NCLT noted thatsince application u/s 9 of the IBC can only be filed on "occurrence of default".
- Thereafter, NCLT examined the definitions of *'Default u/s 3(12)','Debt u/s 3(11)''Claim u/s 3(6)'Operational Debt u/s 5 (21)' and 'Financial Debt u/s 5(8)' of the IBC respectively.*
- NCLT also referred asimilar case *given by the NCLT Chandigarh Bench in the matter of M/s. Wanbury Ltd. Vs. M/s. Panacea Biotech Ltd.*
- NCLT then concluded that the "interest" can be claimed as the Financial Debt, but neither there is any provision nor there is any scope to include the interest to constitute as the Operational Debt.
- Interest amount cannot be clubbed with the Principal amount of debt to arrive at the minimum threshold of Rs.1 Crore for complying the provisions of Section 4 of the IBC.

SEBI Overhauls Preferential allotment rules – makes major changes to pricing of preferential allotment

Securities and Exchange Board of India ['SEBI'] vide amendment notification dated 14 January,2022,amended SEBI (Issue of Capital & Disclosure Requirement) Regulations, 2018 (ICDR Regulations). SEBI has inter-alia amended provisions governing preferential issues by listed entities and in respect of various other matters. **As specified by SEBI in its SEBI Board Meeting press release dated 28 December, 2021 where this amendment was approved by SEBI, the below quoted provisions would be applicable for preferential issues whose relevant date is after 14 January, 2022 i.e. date of this notification for ICDR Regulations amendment.**In this write up we are covering amendments made to provisions relating to preferential issue only.

1. **Applicability of Regulation 158(1) of ICDR Regulations [non applicability of Preferential Issue chapter for certain preferential issues]:**Currentlyprovisions of Regulation 158(1) say that "Chapter V – Preferential Issue" is not applicable to preferential issue of equity shares pursuant to conversion of a loanor an option attached to convertible debt instruments in terms of section 62(3) and (4) of the Companies Act, 2013 ("the Act").

   Section 62(3) of the Act deals with increase of the subscribed share capital of a company caused by the exercise of an option as a term, attached to the debentures issued or to the loan raised by the company to convert such debentures or loans into shares in the company. Section 62(4) of the Act deals with conversion of debentures issued or loans obtained from any Government into shares, if that Government considers it necessary in the public interest so to do and directs conversion of the same into shares on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case, even if the terms of issue of such debentures or such loan do not include a term for providing for an option for sch conversion. Both sub-sections (3) and (4) say about the non-applicability of section 62(1) and 62(2) of the Act.

   In SEBI's Board meeting dated 28 December, 2021, it was noted that Primary Markets Advisory Committee ('PMAC') of SEBI had suggested that preferential allotments must comply with provisions of Preferential Issue guidelines prescribed in Chapter V including guidelines on pricing, and lock-in etc., where allotment is made pursuant to exercise of an option attached to the debentures issued or to the loan raised by the company to convert such debentures or loans into shares in the company. Accordingly PMAC had recommended that reference to sub-section (3) of section 62 of the Act in Regulation 158(1)(a) of the ICDR Regulations may be deleted so that exercise of an option attached to the debentures issued or to the loan raised by the company to convert such debentures or loans into shares in the company, have to comply with the guidelines Chapter V, unless stated otherwise.

   Accordingly, now SEBI has amended Regulation 158(1)(a) by adding a proviso which states that provisions of Chapter V shall apply to conversion of a loan or an

option attached to convertible debt instruments into equity shares as mentioned in clause (a) subject to the provisions of the proviso to sub-section (3) of section 62 of the Companies Act, 2013. Here a point needs to be highlighted is that if the debentures are issued to or loan has been obtained from any Government, then for its conversion into equity shares pursuant to Section 62(4)of the Act, the provisions of Chapter V of ICDR Regulations need not be complied with but for issuance of equity shares pursuant to conversion of debentures / loan in all other cases,Chapter V of ICDR Regulations needs to be complied with henceforth.

2. **Issuers ineligible to make a preferential issue:**Earlier if a person or promoter or person belonging to promoter group had sold shares in the previous six months then they were not eligible to be offerees for preferential allotment. This time limit of six months was in line with pricing criteria of 26 weeks Volume Weighted Average Price ('VWAP') prescribed in Regulation 164of ICDR Regulations. Now as per this amendment, the timeline for calculation of issue priceof shares is reduced to 90 trading days'VWAP [explained in point 7(b) below], the pre-preferential issue time limit restriction on tradingby offerees is also reduced in line with that by amending Regulation 159(1). An additional ineligibility criterion has been prescribed for making preferential issue by way of Regulation 159(4). It says that if an issuer hasnot paid any dues of SEBI, the stock exchanges, or depositories, thensuch issuer shall not be allowed to make preferential issue. SEBI has further clarified that where outstanding dues are the subject matter of a pending appeal or proceeding, which has been admitted by the relevant Court, Tribunal or Authority then that would not act as a debarment for making preferential issue.

3. **Clarity on timelines for conditions of preferential issue:**As per Regulation 160(1)(c) and (e) of ICDR Regulations,all equity shares held by the proposed allottees shall be in dematerialised form and the issuer should have obtained Permanent Account number from proposed allottees.In SEBI's Board meeting dated 28 December, 2021, it was noted that PMAC had suggested SEBI to further clarify on timeline as to when these details (PAN, demat A/c number, etc) are to be taken by the issuer?

   Accordingly, SEBI has now clarified that the condition of pre-preferential allotment shareholding of proposed allottee(s) to bein demat form and the requirement of obtaining the Permanent Account Number of proposed allottees, both shall be ensured by the issuer before making in principle approval application to the stock exchange.

   SEBI has further clarified that application for in-principle approval under regulation 28(1) of SEBI LODR Regulations shall be made / submitted to the stock exchange(s) where the issuer has listed its equity shares, on the same day when the notice of Annual General Meeting / Extraordinary General Meeting / Postal Ballot is sent to shareholders.

4. **Allotment of equity shares on conversion of convertible securities:** As per Regulation 162, tenure of the convertible securities of the issuer shall not exceed eighteen months from the date of their allotment. Hence, it was appearing that the allotment of equity shares pursuant to conversion of

convertible securities should be completed before eighteen months from the date of allotment of such convertible securities. Further till now, there was no timeline prescribed within which allotment of equity shares had to be completed by the issuer from the date of exercise of option to convert the securities by allottee.

Now SEBI has changed Regulation 162 into Regulation 162(1) and inserted a new Regulation 162(2) which states that upon exercise of the option by the allottee to convert the convertible securities within the tenure specified in sub-regulation (1), the issuer shall ensure that the allotment of equity shares pursuant to exercise of the convertible securities is completed within 15 days from the date of such exercise by the allottee.

5. **Disclosure to Shareholders:**Regulation 163(1) requires certain disclosures to be made to shareholdersin the explanatory statement at the time of making preferential issue. Now SEBI has added certain disclosures, viz., disclosure of the current and proposed status of the allottee(s) post the preferential issues i.e. listed entity will have to specify whether the proposed allottees would be 'promoter' or 'non-promoter' before preferential issue and post preferential issue.

   Till now if the issuer or any of the promoters or directors was a wilful defaulter, then certain additional disclosures were prescribed. Now these additional disclosure will be needed if any of them are fraudulent borrower also.

   Till now, as per Regulation 163(2), a certificate from Statutory Auditor was required to be placed before the general meeting convened to seek shareholders'approval for the preferential issue stating that conditions for preferential issue have been complied with. **Now Regulation 163(2) has been amended to the effect that this certificate has to be given by a Practicing Company Secretary instead of statutory auditors. Further an Explanation has been inserted in Regulation 163(2) that such certificate shall be hosted on the website of the listed entity & a link of the same is to be given in the explanatory statement attached to notice convening shareholders' meeting.**

6. **Preferential Issue for consideration other than cash:**Till now issuerswere allowed to make a preferential basis for consideration other than cashwhere the consideration (other than cash) could be any asset, as there was no definition of what would be considered as "consideration other than cash". To remove this ambiguity, the amendment has amended Regulation 163(3) which provides for only swap of shares,to be the only consideration other than cash, and such swap would also require an independent registered valuer's valuation report. Such report shall be submitted to the stock exchange and if the stock exchange isn't satisfied with the appropriateness of the valuation, they may revalue the shares again by seeking any information in this regard from the issuer.

7. **Pricing of Frequently& Infrequently Traded Shares**
   a. Earlier for the purpose of the chapter of Preferential issue, 'Frequently traded shares' meant such shares of issuerin which the traded turnover was at least 10 % of the total number of shares of such class of shares of the issuer, during the 12 calendar months preceding the relevant date.

Now the timeline for calculation of traded turnover has been changed from 12 calendar months to 240 trading days preceding the relevant date.

b. **Pricing of Frequently traded shares:**Pricing of preferential issues in case of frequently traded shares was made on the basis of average weekly high & low of VWAP of 26 weeks and 2 weeks. Nownew pricing norms have been notified by amendment to Regulation 163. As per the revised norm,VWAP of 90 trading days & 10 trading days, respectively, would be taken for calculating minimum pricing of shares to be allotted under preferential issue.Further it is also provided that if Articles of Association provide for a method for determination of minimum price at which preferential issue shall be made, then pricing as per that method also needs to be calculated. After comparing all the three prices viz. (a) VWAP of 90 trading days (b) VWAP of 10 trading days and (c) price determined as per articles of association, highest of the above three prices shall be considered as floor price.If the issuer is listed for a term of less than 90 trading days then price shall be recomputed once listed issuer completes 90 trading days. After completion of 90 trading days also, the issue price shall be determined on the basis of method specified under articles of association. The change in pricing norms was done by SEBI in order to bring it in line with rolling market settlement mechanism (i.e. T+2 and now going forward T+1). SEBI, while bringing this amendment had mentioned in discussion paper on Preferential Issue dated 26 November,2021, that pricing of preferential issue on the basis of average of weekly prices dates back to time when there was weekly settlementmechanism on stock exchange. So a need was felt to bring it in line with current settlement norms.

c. **For preferential issues made to Qualified Institutional Buyers (QIB)** not exceeding five in number, the floor price shall be a price not less than the price determined as per 10 trading days VWAP. Further if Articles of Association of issuer provide for another price determination mechanism which results in a floor price higher than price determined as per 10 trading days VWAP then the same highest price shall be considered as floor price. No preferential allotment shall be made to QIB, directly or indirectly, if such QIB is a promoter or person related to the promoter of the issuer. SEBI has further clarified that any QIB who has acquired rights in the capacity of the lender, would not be deemed as related to Promoter.SEBI has further by way of explanation has stated that a qualified institutional buyer who has any of the following rights shall be deemed to be a person related to the promoters of the issuer:- (a) rights under a shareholders' agreement or voting agreement entered into with promoters or promoter group; (b) veto rights; or (c) right to appoint any nominee director on the board of the issuer

d. **Pricing of Preferential Issue of shares having stressed assets:**Regulation 164A provides for preferential issue of frequently traded shares of such companies which have stressed assets.In case of preferential issue by such listed entities, the price of the equity shares to be allotted pursuant to the preferential issue shall not be less than 10 trading days VWAP

of the related equity shares quoted on a recognised stock exchange preceding the relevant date. The price earlier was to be computed on the basis of average of weekly high and low of VWAP of two weeks preceding the relevant date.

e. **Pricing of infrequently traded shares** shall be determined by an independent registered valuer and an issuer certificate stating compliance with regulation shall be submitted to the stock exchange. Till now it was only stated that it shall be done by an independent valuer. Now SEBI has clarified that it shall be done by an Independent Registered Valuer. It may be noted that the provisions relating to registered valuer are prescribed in the Companies Act, 2013.

f. **Pricing when there is change in control:**

A new Regulation 166A has been inserted which provides for other conditions of pricing in cases of certain preferential issues explained as follows:-

(i) If there is a change in control or allotment of more than 5% of the post issue fully diluted share capital of the issuer, to an allottee, or allottees acting in concert, then it shall require a valuation report from an independent registered valuer and consider the same for determining the price. The floor price, in such cases, shall be higher of the floor pricedetermined as per the above provisions, as the case may be or the price determined under the valuation report from the independent registeredvaluer or the price determined in accordance with the provisions of the Articles ofAssociation of the issuer, if applicable.

(ii) If there is a change in control,the valuation report from the independent registered valuer shall also cover guidance on control premium, which shall be computed over and above the pricedetermined as above.

(iii) A valuation report from the independent registered valuer shall be published on the website of the issuer and a reference of the same shall be made in the notice calling general meeting of shareholders.

(iv) **Committee of Independent Directors:**If the change in control is likely to take place, then reasoned recommendation from a committee of independent directors of the issuer, after considering all the aspects relating to the preferential issue including pricing and the voting pattern of committee meeting [attended by all Independent Directors of issuer] to be disclosed in the notice calling general meetingof shareholders.

It appears that these provisions are motivated by a recent case that happened last year wherein preferential issue was cancelled by listed entity as the floor price was less than the book value of shares of listed entity.

8. **Lock-in of preferential issue allotted shares:** Currently as per Regulation 167 of ICDR Regulations, the lock-in requirement on specified securities, allotted on a preferential basis to the promoters or promoter group and the equity shares allotted pursuant to exercise of options attached to warrants issued on a preferential basis to the promoters or the promoter group is 3 years for minimum promoters contribution and 1 year for contribution over and above minimum contribution. Now the lock-in has been reduced to 18 months & 6 months respectively from the receipt of trading approval.It must be noted that 18 months lock-in requirement would also apply to Promoter Group entities also.

   For a preferential issue to persons other than promoter, the earlier lock-in period of 1 year is now reduced to 6 months from receipt of trading approval.The entire pre-preferential allotment shareholding of the allottees, if any, shall be lockedin for a period of 90 trading days from the relevant date as against period of 6 months provided earlier.

   Lock-in requirements for allottees who become promotersdue to change in control consequent to preferential issue shall be the same as those applicable to the promoters and promoter group under this regulation.

9. **Pledge of locked-in specified securities**: Currently there is no requirement for pledging of locked in securities. SEBI had received representations to allow allottees to pledge securities allotted on preferential basis. SEBI has now allowed pledge of Lock in specified securities by inserting a new Regulation 167A. As per Regulation 167A, these locked-in securities can be pledged by the promoters as collateral for a loan granted by a scheduled commercial bank or a public financial institution or a systemically important non-banking finance company or a housing finance company, provided that the loan has been granted to the issuer or its subsidiary(ies)for thepurpose of financing one or more of the objects of the issue and pledge of specifiedsecurities is a conditionof the sanction.
   SEBI has also stated that if the shares are invoked by the lender, the lock-in period shall continue to be applicable on the specified securities. It means that even after invocation, the lender will not be able to sell shares in market unless the lock-in period is exhausted.
   It is important to note that Regulation 167A gives relaxation for pledge of locked-in securities of the promoters only. It does not permit the lock-in of locked-in securities of members of promoter group or any other person from public category for any reason.

ICDR Amendment can be accessed at below link:
https://www.sebi.gov.in/legal/regulations/jan-2022/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-amendment-regulations-2022_55351.html

Highlights of SEBI's Board meeting dated 15 February, 2022

Securities and Exchange Board of India (SEBI), in its Board Meeting held on 15 February, 2022, approved following amendments:

1. **Splitting of Posts of Chairman and Managing Director ('MD') / Chief Executive Officer ('CEO') – Regulation 17(1B) of SEBI LODR Regulations -**On representation from industry bodies and corporates expressing various difficulties and challenges for not being able to comply with the regulatory mandate related to separation of role of Chairperson and MD/CEO with effect from 1 April, 2022,and with a view to enable companies to have smother transition, as a way forward, SEBI decided that this provision of splitting position of Chairperson and MD/ CEO, which was to become mandatorily applicable from 1 April, 2022, will now be voluntary.

2. SEBI has further approved amendments to SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to align the framework and terminology with respect to 'security cover' wherein the term 'asset cover' will be substituted with term 'security cover' in SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to prescribe maintenance of security cover sufficient to discharge both principal and interest thereon in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.Further, SEBI has also stated that references with respect to disclosure of credit ratings have been rationalized and due diligence certificate for unsecured debt securities has been prescribed in SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

3. SEBI has also approved amendment to SEBI (Alternative Investment Funds) Regulations, 2012 providing flexibility to Category III Alternative Investment Funds (AIFs) to calculate the investment concentration norm based either on investable funds or net asset value of the fund while investing in listed equity of investee company, subject to the conditions as may be specified by board.

SEBI Board Meeting Press Release can be accessed at below mentioned link:
https://www.sebi.gov.in/media/press-releases/feb-2022/sebi-board-meeting_56076.html

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