SECURITIES AND EXCHANGE BOARD OF INDIA
(COLLECTIVEINVESTMENT SCHEMES) REGULATIONS, 1999

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THE GAZETTE OF INDIA EXTRAORDINARY
PART-II- SECTION -3- SUB-SECTION (ii)
PUBLISHED BY AUTHORITY
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
THE FIFTEENTH DAY OF OCTOBER, 1999
MUMBAI

SECURITIES AND EXCHANGE BOARD OF INDIA (COLLECTIVE INVESTMENT SCHEMES) REGULATIONS, 1999

In exercise of the powers conferred by section 30 read with section 11 andsection 19 of the Securities and Exchange Board of India Act, 1992 (15 of1992), the Securities and Exchange Board of India hereby makes thefollowing regulations, namely :—

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CHAPTER I
PRELIMINARY

Short title and commencement

1**.** (1) These regulations may be called the Securities and Exchange Board ofIndia (Collective Investment Schemes) Regulations, 1999.

(2) They shall come into force on the date of their publication in the OfficialGazette.

Definitions

2**.** (1) In these regulations, unless the context otherwise requires:

(a)"Act" means the Securities and Exchange Board of India Act, 1992(15 of 1992);

(b)"advertisement" includes:

(i) notices, brochures, pamphlets, circulars, showcards,catalogues, hoardings, placards, posters, insertions in newspapers,pictures, films and cover pages of offer documents;

(ii) any other matter to which publicity is given through printmedium, radio, television programmes or electronic media;

(c)"appraising agency" means an agency empanelled with the Board forthe purpose of conducting technical or financial appraisal of the [1][collective investment scheme];

(d)"associate" in relation to a collective investment managementcompany or trustee, includes a person:

(i) who, directly or indirectly, by himself, or in combination withother persons, exercises control over the Collective InvestmentManagement Company or the trustee, as the case may be, or

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[1] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

(ii) in respect of whom the Collective Investment ManagementCompany or the trustee, as the case may be directly or indirectly, byitself, or in combination with other persons, exercises control, or

(iii) whose director, officer or employee is a director, officer oremployee of the Collective Investment Management Company orthe trustee, as the case may be;

(e) "auditor" means a person qualified to audit the accounts ofcompanies under the Companies Act, 1956;

(f) "Board" means the Securities and Exchange Board of Indiaestablished under the provisions of section 3 of the Act;

(g) "certificate" means a certificate of registration granted underregulation 10 of these regulations;

(h) "Collective Investment Management Company" means a companyincorporated under the Companies Act, 1956 (1 of 1956) and registeredwith the Board under these regulations, whose object is to organise,operate and manage a collective investment scheme;

(i) "collective investment scheme" has the meaning assigned to it bysub-regulation (2) of this regulation;

(j) "closed-ended [2] [collective investment scheme]" means any [3] [collective investment scheme] launched by a CollectiveInvestment Management Company, in which the period of maturity of the[4][collective investment scheme] is specified and there is no provision for re-purchase before theexpiry of the maturity of the [5][collective investment scheme];

(k) "control" or "controlling interest" means control exercised orcontrolling interest held :

(i) in case of a company, by any person or combination of personswho directly or indirectly own, control or hold shares carrying notless than 10% of the voting rights of such company; or

(ii) (ii) as between two companies, if the same person or combinationof persons, directly or indirectly, own, control or hold shares carryingnot less than 10% of the voting rights of each of the two companies;or

(iii) (iii) majority of the directors of any company who are in a positionto exercise control over the Collective Investment ManagementCompany;

(l) "credit rating agency" means a body corporate registered underSecurities and Exchange Board of India (Credit Rating Agencies)Regulations, 1999;

(m) "depository" means a body corporate as defined in the DepositoriesAct, 1996 (22 of 1996);

(n) "economic offence" means an offence to which the EconomicOffences (Limitation of Prosecutions) Act, 1974 (12 of 1974) applies forthe time being;

(o) "form" means any of the forms specified as such in the FirstSchedule;

(p) "fraud", has the same meaning as is assigned to it in section 17 ofthe Indian Contract Act, 1872 (9 of 1872);

(q) "inspecting officer" means any person appointed as such by theBoard under Chapter VII of these regulations;

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[2] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[3] *ibid.*

[4] *ibid.*

[5] *ibid*.

(r) "key personnel" in relation to a company, means the persons whoexercise effective control over its affairs;

(s) "net worth" means the aggregate value of the paid-up equity capitaland free reserves (excluding funds created out of revaluation), reducedby the aggregate value of accumulated losses and deferred expenditurenot written off, including miscellaneous expenses not written off;

(t) "offer document" means any document by which applications forsubscribing to units of the [6][collective investment scheme] are invited from the public;

(u) "regulation" means a regulation forming part of these regulations;

(v) "relative" means a person who is a relative, as defined in section 6 ofthe Companies Act, 1956 (1 of 1956);

(w) "registrars to an issue and share transfer agent" means a personregistered as Registrars to an Issue and Share Transfer Agents underthe Securities and Exchange Board of India (Registrar to an Issue andShare Transfer Agents) Regulations, 1993;

(x) "schedule" means any of the schedule appended to theseregulations;

[7][(y) ****]

(z) ""[8][collective investment scheme] property" includes:

i. subscription of moneys or money's worth (including bankdeposits) to the [9][collective investment scheme];

ii. property acquired, directly or indirectly, with, or with theproceeds of, subscription of money referred to in item (i) of thisClause; or

iii. income arising, directly or indirectly, from subscription moneyor property referred to in item (i) or (ii),

z) "securities laws" means:

i. the Securities and Exchange Board of India Act, 1992 (15 of1992);

ii. the Securities Contracts (Regulation) Act, 1956 (42 of 1956);and

iii. the Depositories Act, 1996 (22 of 1996), as amended from timeto time;

aa) "stock broker" means a stock broker as defined in Securities andExchange Board of India (Stock Brokers and Sub-brokers) Rules, 1992;

bb) "trustee" means a person who holds the property of the collectiveinvestment scheme in trust for the benefit of the unit holders, inaccordance with these regulations;

cc) "unit" includes any instrument issued under a [10][collective investment scheme], by whatevername called, denoting the value of the subscription of a unit holder; and

dd) "unit holder" means a person holding a unit in a [11][collective investment scheme].

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[6] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[7]Omitted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[8] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[9]*ibid.*

[10] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[12][(2) In these regulations the expression 'collective investment scheme' shallhave the same meaning as assigned to it under section 11AA of the Act.]

(3) Words and expressions used and not defined in these regulations, butdefined in the Act shall have the same meanings as are respectively assignedto them in the Act.

CHAPTER II

REGISTRATION OF COLLECTIVE INVESTMENT MANAGEMENT COMPANY

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[11]*ibid.*

[12] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2000,w.e.f. 14-2-2000. Prior to its substitution the sub-regulation 2 of Regulation 2 read as under:

"(a) the purpose of which is to enable the investors to participate in the scheme or arrangementsby way of subscriptions and to receive profits or income or produce arising from the managementof such property or the investments made thereof; and

(b) in which the subscriptions of the investors by whatever name called, are pooled, and areutilized for the purposes of the schemes or the arrangements; and

(c) in which the property or such subscriptions are managed on behalf of the investors, who do nothave day to day control over the management or operation of the scheme, whether or not suchproperties or subscriptions and the investments made thereof are evidenced by identifiableproperties or otherwise;

Provided that following shall not be deemed to be a collective investment scheme:

(a) acceptance of deposits by companies under section 58A of the Companies Act, 1956 (1 of1956) or by Non-Banking Financial Companies as defined in section 45-I of the Reserve Bank ofIndia Act, 1934 (2 of 1934);

b) acceptance of funds by Chit Funds in terms of the Chit Funds Act, 1982 (40 of 1982);

(c) acceptance of funds by companies declared as Nidhi companies under section 620A of theCompanies Act, 1956, (1 of 1956), as per directions issued under, section 637A of the said Act;

(d) contracts of insurance under the Insurance Act, 1938 (4 of 1938);

(e) any scheme of the employer as per Employees' Provident Fund and Miscellaneous ProvisionsAct, 1952, (19 of 1952); or any other recognized Provident Fund under the Income Tax Act,1961;

(f) arrangements of cooperative societies under the Cooperative Societies Act, 1912 (2 of 1912)including Cooperative Societies registered under any Provincial Act or State Act for the timebeing in force;

(g) any scheme under Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;

or

(h) any other scheme or arrangement specifically exempted by the Board, from the operation ofthese regulations."

No Person Other than Collective Investment Management Company toLaunch[13][collective investment scheme]

3**.** No person other than a Collective Investment Management Companywhich has obtained a certificate under these regulations shall carry on orsponsor or launch a collective investment scheme.

Application for grant of certificate.

4**.** Any person proposing to carry any activity as a Collective InvestmentManagement Company on or after the commencement of these regulationsshall make an application to the Board for the grant of registration in Form A.

[14][**Application by a scheme or arrangement deemed to be a collective investment scheme**
4A. (1) Any person proposing to carry on or sponsor or launch any scheme or arrangement which would be deemed to be a collective investment scheme under the proviso to sub-section (1) of section 11AA of the Act, shall make an application for grant of registration as a Collective Investment Management Company in Form A:
Provided that any scheme or arrangement which is otherwise regulated or prohibited under any other law shall not be deemed to be a collective investment scheme.
(2) All other provisions of these regulations and the guidelines and circulars issued thereunder, shall apply to any scheme or arrangement deemed to be a collective investment scheme under the proviso to sub-section (1) of section 11AA of the Act.]

Application by existing Collective Investment Schemes.

5**.** (1) Any person who immediately prior to the commencement of theseregulations was operating a [15][collective investment scheme], shall subject to the provisions ofChapter IX of these regulations make an application to the Board for the grantof a certificate within a period of two months from such date.
(2) An application under sub-regulation (1) shall contain such particulars asare specified in Form A and shall be treated as an application made inpursuance of regulation 4 and dealt with accordingly.

Application fee to accompany the application

6**.** Every application for registration under regulation 4 shall be accompaniedby a non-refundable application fee as specified in the Second Schedule.

Application to conform to the requirements

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[13] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[14]Inserted, *ibid.*
[15]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

7**.** An application, which is not complete in all respects or does not conform tothe requirements of regulation 6 or regulation 9 shall be rejected by the BoardProvided that before rejecting any such application, the applicant may begiven an opportunity to remove within one month such objections as may beindicated by the BoardProvided further that the Board may on sufficient reasons being shownextend the time in order to enable the applicant to remove such objections.

Furnishing information

8**.** (1) The Board may direct the applicant to furnish such further informationor clarification as may be required by it, for the purpose of processing theapplication.
(2) The Board, if it so desires, may ask the applicant or its authorized representative to appear before the Board for personal representation inconnection with the grant of a certificate.

Conditions for eligibility

9**.** The Board shall not consider an application for the grant of a certificateunless the applicant satisfies the following conditions, namely:—

a) the applicant is set up and registered as a company under theCompanies Act, 1956;
b) the applicant has, in its Memorandum of Association specifiedthe managing of collective investment scheme as one of its mainobjects;
c) the applicant has a net worth of not less than rupees fivecrores:
Provided that at the time of making the application the applicantshall have a minimum net worth of rupees three crores which shallbe increased to rupees five crores within three years from the dateof grant of registration;
d) the applicant is a fit and proper person for the grant of suchcertificate;
e) the applicant has adequate infrastructure to enable it to operatecollective investment scheme in accordance with the provision ofthese regulations;
f) the directors or key personnel of the applicant shall consist ofpersons of honesty and integrity having adequate professionalexperience in related field and have not been convicted for anoffence involving moral turpitude or for any economic offence or forthe violation of any securities laws;
g) at least fifty per cent of the directors of such CollectiveInvestment Management Company shall consist of persons who areindependent and are not directly or indirectly associated with thepersons who have control over the Collective InvestmentManagement Company;
h) no person, directly or indirectly connected with the applicanthas in the past been refused registration by the Board under theAct.

Explanation: For the purposes of this clause, the Board shall takeinto account whether the previous application for a certificate of anyperson, directly or indirectly, connected with the applicant has beenrejected by the Board or any disciplinary action has been takenagainst such person under the Act or any of the rules or any of theregulations made under the Act.

(i) at least one of the directors, on the Board of the CollectiveInvestment Management Company, who is not subject to retirement,is a representative of the trustee;

(j) the Collective Investment Management Company is not atrustee of any collective investment scheme;

(k) in case the applicant is an existing collective investmentscheme, it complies with the provisions of Chapter IX of theseregulations.

[16][**Criteria for fit and proper person**

9A**.** For the purpose of determining whether an applicant or the collectiveinvestment management company is a fit and proper person, the Board maytake into account the criteria specified in Schedule II of the Securities andExchange Board of India (Intermediaries) Regulations, 2008.]

Grant of Certificate

10**.** (1) The Board may, on receipt of an application and on being satisfiedthat the applicant complies with the requirements specified in regulation 9,call upon the applicant to pay registration fee as specified in the SecondSchedule.

(2) On receipt of registration fee, the Board shall grant a certificate in Form B,on such terms and conditions as are in the interest of investors and as maybe specified by the Board.

Terms and conditions to be complied with

11**.** The certificate granted under regulation 10 shall be subject to thefollowing conditions, namely:—

(a) any director of the Collective Investment ManagementCompany shall not be a director in any other Collective InvestmentManagement Company unless such person is an independentdirector referred to in clause (g) of regulation 9 and approval of theboard of Collective Investment Management Companies of whichsuch person is an independent director, has been obtained;

(b) the Collective Investment Management Company shallforthwith inform the Board of any material change in the information or particulars previously furnished, which have a bearing on the certificate granted by it;

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[16]Substituted by the SEBI (Intermediaries) Regulations, 2008, w.e.f. 26-05-2008. Prior to its substitutionRegulation 9A as inserted by the SEBI (Criteria for Fit and Proper Person) Regulations, 2004, w.e.f. 10-03-2004, read as under:

"9A. Applicability of the Securities and Exchange Board of India (Criteria for Fit and Proper Person)Regulations, 2004. – The Provisions of the Securities and Exchange Board of India (Criteria for Fit andProper Person) Regulations, 2004, shall, as far as may be, apply to all applicants or the CollectiveInvestment Management Companies under these regulations."

(c) appointment of a director of a Collective Investment Management Company shall be made with the prior approval of the trustee;

(d) the Collective Investment Management Company shall comply with provisions of the Act and these regulations;

(e) no change in the controlling interest of the Collective Investment Management Company shall be made without obtaining prior approval of the Board, the trustee and the unit holders holding at least one-half of the nominal value of the unit capital of the [17][collective investment scheme];

(f) the Collective Investment Management Company shall take adequate steps to redress the grievances of the investors within one month from the date of receipt of the complaint from the aggrieved investor;

[18][(g) the Collective Investment Management Company shall enter into an agreement with a depository for dematerialization of the units of collective investment scheme proposed to be issued;

(h) all monies payable towards subscription of units of collective investment scheme shall be paid through cheque or demand draft or through any other banking channel, but not by cash;

(i) the Collective Investment Management Company shall comply with KYC (know your client) norms as specified by the Board.]

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Procedure where registration is not granted

12**.** (1) Where an application made under regulation 4 for grant of registrationdoes not satisfy the conditions specified in regulation 9, the Board may rejectthe application after giving the applicant a reasonable opportunity of beingheard and inform the applicant of the same.

(2) The decision shall be communicated to the applicant by the Board within30 days of such decision stating therein the grounds on which the applicationhas been rejected.

CHAPTER III
BUSINESS ACTIVITIES AND OBLIGATIONS OF COLLECTIVE INVESTMENT MANAGEMENT COMPANY

Restrictions on business activities

13**.** The Collective Investment Management Company shall not :

a) undertake any activity other than that of managing the [19][collective investment scheme];

b) act as a trustee of any [20][collective investment scheme];

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[17] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[18]Inserted, ibid.

[19] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[20]*ibid.*

c) launch any [21][collective investment scheme] for the purpose of investing in securities;
d) invest in any [22][collective investment scheme] floated by it.

Provided that a Collective Investment Management Company may invest in its own [23][collective investment scheme],

(i) if it makes a disclosure of its intention to invest in theoffer document of the [24][collective investment scheme], and

(ii) does not charge any fees on its investment in that[25][collective investment scheme].

Obligations of Collective Investment Management Company

14**.** Every Collective Investment Management Company shall:

(a) be responsible for managing the funds or properties of the[26][collective investment scheme] on behalf of the unit holders;

(b) take all reasonable steps and exercise due diligence to ensurethat the [27][collective investment scheme] is managed in accordance with the provisions ofthese regulations, offer document and the trust deed;

(c) exercise due diligence and care in managing assets and fundsof the [28][collective investment scheme];

(d) be responsible for the acts of commissions and omissions byits employees or the persons whose services have been availed byit;

(e) remain liable to the unit holders for its acts of commission oromissions, notwithstanding anything contained in any contract oragreement;

(f) be incompetent to enter into any transaction with or through itsassociates, or their relatives relating to the [29][collective investment scheme]:

Provided that in case the Collective Investment ManagementCompany enters into any transactions relating to the [30][collective investment scheme] withany of its associates, a report to that effect shall immediately besent to the trustee and to the Board.

(g) appoint registrar and share transfer agents;

(h) abide by the Code of Conduct as specified in the ThirdSchedule;

(i) give receipts for all monies received by it and give a report tothe Board every month, particularly of receipts and payments;

(j) hold a meeting of the Board of Directors to consider the affairsof [31][collective investment scheme] at least twice in every three months;

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[21] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[22]*ibid.*

[23]*ibid.*

[24]*ibid.*

[25]*ibid.*

[26]*ibid.*

[27]*ibid.*

[28]*ibid.*

[29]*ibid.*

[30]*ibid.*

(k) ensure that its officers or employees do not make improper useof their position or information to gain, directly or indirectly, anadvantage for themselves or for any other person or to causedetriment to the [32][collective investment scheme];
(l) obtain adequate insurance against the property of the [33][collective investment scheme];
(m) comply with such guidelines, directives, circulars andinstructions as may be issued by the Board from time to time, on thesubject of collective investment schemes.

Submission of information and documents

15**.** (1) The Collective Investment Management Company shall preparequarterly reports (*i.e.*, as at the end of March, June, September andDecember) on its activities and the position regarding compliance with theseregulations and submit the same to the trustees within one month of the expiry of each quarter.

(2) The Collective Investment Management Company shall file with thetrustee and the Board—
(a) particulars of all its directors along with their interest in othercompanies within fifteen days of their appointment; and
(b) any change in the interests of directors, within fifteen days ofsuch change.

(3) The Collective Investment Management Company shall furnish a copy ofthe Balance Sheet, Profit and Loss Account and a copy of the summary of theyearly appraisal report to the unit holders within two months from the closureof financial year.

(4) The Collective Investment Management Company shall furnish to theBoard and the trustee such information and documents to the Board and thetrustee as may be required by them concerning the affairs of the [34][collective investment scheme].

CHAPTER IV
TRUSTEES AND THEIR OBLIGATIONS

Trust Deed to be registered under the Registration Act

16**.** (1) A [35][collective investment scheme] shall be constituted in the form of a trust and the instrumentof trust shall be in the form of a deed duly registered under the provisions ofthe Indian Registration Act, 1908 (16 of 1908) executed by the CollectiveInvestment Management Company in favour of the trustees named in suchan instrument.

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[31] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[32]*ibid.*
[33]*ibid.*
[34]*ibid.*
[35]*ibid.*

Appointment of trustees

(2) A Collective Investment Management Company shall appoint a trusteewho shall hold the assets of the [36][collective investment scheme] for the benefit of unit holders.

Contents of trust deed

17**.** (1) The trust deed shall contain such clauses as are specified in theFourth Schedule and such other clauses as are necessary for safeguardingthe interests of the unit holders.
(2) No trust deed shall contain a clause which has the effect of—
(i) limiting or extinguishing the obligations and liabilities of theCollective Investment Management Company in relation to any[37][collective investment scheme] or the unit holders; or
(ii) indemnifying the trustee or the Collective InvestmentManagement Company for loss or damage caused to the unitholders by their acts of negligence or acts of commissions oromissions.

Eligibility for appointment as trustee

18**.** (1) Only persons registered with the Board as Debenture Trustee underSecurities and Exchange Board of India (Debenture Trustee) Regulations,1993 shall be eligible to be appointed as trustees of collective investmentscheme.
Provided that no person shall be eligible to be appointed as trustee, if he isdirectly or indirectly associated with the persons who have control over thecollective investment management company.
(2) The Collective Investment Management Company shall furnish to theBoard particulars as specified in Form C in respect of trustees appointedunder sub-regulation (1).

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Appointment of trustee not found guilty

19**.** No person shall be appointed as trustee of a [38][collective investment scheme] if—
(a) he has been found guilty of an offence under the securitieslaws, or
(b) the Board or any authority to which the Board has delegated itspower has passed against such person, an order under the Act forviolation of any provision of the Act or of regulations madehereunder.

Agreement with collective investment management company

20**.** (1) The trustee and the Collective Investment Management company shallenter into an agreement for managing the [39][collective investment scheme] property.

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[36] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[37]*ibid.*
[38]*ibid.*
[39]*ibid.*

(2) The agreement for managing the [40][collective investment scheme] property shall contain suchclauses as are specified in the Fifth Schedule and such other clauses as arenecessary for the purpose of fulfilling the objectives of the [41][collective investment scheme].

Rights and obligations of the trustee

21. (1) The trustee shall have a right:—
(a) to obtain from the Collective Investment ManagementCompany such information as is considered necessary by thetrustee.
(b) to inspect the books of account and other records relating tothe [42][collective investment scheme].
(2) The trustee shall ensure that the Collective Investment ManagementCompany has:—
(a) the necessary office infrastructure;
(b) appointed all key personnel including managers for the[43][collective investment scheme] and submitted their bio-data which shall contain theeducational qualifications and past experience in the areas relevant
for fulfilling the objectives of the [44][collective investment scheme]s;
(c) appointed auditors to audit the accounts of the [45][collective investment scheme] fromthe list of auditors approved by the Board;
(d) appointed a compliance officer to comply with the provisions ofthe Act and these regulations and to redress investor grievances;
(e) appointed registrars to an issue and share transfer agent;
(f) prepared a compliance manual and designed internal controlmechanisms including internal audit systems;
(g) taken adequate insurance for the assets of the [46][collective investment scheme];
(h) not given any undue or unfair advantage to any associates ofthe company or dealt with any of the associates in any mannerdetrimental to the interest of the unit holders;
(i) operated the [47][collective investment scheme] in accordance with the provisions of thetrust deed, these regulations and the offer document of the[48][collective investment scheme](s);
(j) undertaken the activity of managing [49][collective investment scheme]s only;
(k) taken adequate steps to ensure that the interest of investors ofone [50][collective investment scheme] are not compromised with the object of promoting theinterest of investors of any other [51][collective investment scheme];

IndiaCode

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[40] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[41] *ibid.*
[42] *ibid.*
[43] *ibid.*
[44] *ibid.*
[45] *ibid.*
[46] *ibid.*
[47] *ibid.*
[48] *ibid.*
[49] *ibid.*

(l) minimum networth on a continuous basis and shall inform theBoard immediately of any shortfall;
(m) been diligent in empanelling the marketing agents and inmonitoring their activities.
(3) Where the trustee has reason to believe that the conduct of business ofthe [52][collective investment scheme] is not in accordance with these regulations, trust deed and theoffer document of the [53][collective investment scheme], the trustee shall forthwith take such remedialsteps as are necessary and shall immediately inform the Board of the actiontaken.
(4) The trustee shall be accountable for, and be the custodian of, the fundsand property of the respective [54][collective investment scheme]s and shall hold the same in trust forthe benefit of the unit holders in accordance with these regulations and theprovisions of trust deed.
(5) The trustee shall be responsible for the calculation of any income due tobe paid to the [55][collective investment scheme] and also for any income received in the [56][collective investment scheme] to theunit holders.
(6) The trustee shall convene a meeting of the unit holders—
(a) whenever required to do so by the Board in the interest of theunit holders; or
(b) whenever required to do so on the requisition made by unitholders holding at least one-tenth of nominal value of the unit capitalof any [57][collective investment scheme]; or
(c) when any change in the fundamental attributes of any [58] [collective investment scheme]Provided that no such change shall be carried out unless theconsent of unit holders holding at least three-fourths of nominalvalue of the unit capital of the [59][collective investment scheme] is obtained.
Explanation :- For the purposes of this clause "fundamentalattributes" means the investment objective and terms of a [60][collective investment scheme].
(7) The trustee shall review :
(a) on a quarterly basis (i.e., by the end of March, June,September and December) every year all activities carried out bythe Collective Investment Management Company;
(b) periodically all service contracts relating to registrars to anissue and share transfer agents and satisfy itself that such contractsare fair and reasonable in the interest of the unit holders;
(c) investor complaints received and the redressal of the same bythe Collective Investment Management Company.
(8) (i) The trustee shall ensure that:—
(a) net worth of Collective Investment Management Company isnot deployed in a manner which is detrimental to interest of unitholders;

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[50] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[51]*ibid.*
[52]*ibid.*
[53]*ibid.*
[54]*ibid..*
[55]*ibid.*
[56]*ibid..*
[57]*ibid.*
[58]*ibid.*
[59]*ibid.*
[60]*ibid.*

(b) property of each [61][collective investment scheme] is clearly identifiable as [62][collective investment scheme]property and held separately from property of the CollectiveInvestment Management Company and property of any other[63][collective investment scheme];
(c) clearances or no objection certificate is obtained, in respect oftransactions relating to property of the [64][collective investment scheme] from such authorityas is competent to grant such clearance or no objection certificate.
(ii) The trustee shall abide by the Code of Conduct as specified in the ThirdSchedule.
(9) The trustee shall furnish to the Board on a quarterly basis (*i.e.*, by end ofMarch, June, September and December), every year—
(a) a report on the activities of the [65][collective investment scheme];
(b) a certificate stating that the trustee has satisfied himself thataffairs of the Collective Investment Management Company and ofthe various [66][collective investment scheme]s are conducted in accordance with theseregulations and investment objective of each [67][collective investment scheme].
(10) The trustee shall cause:—
(a) the profit and loss accounts and balance sheet of the [68][collective investment scheme]sto be audited at the end of each financial year by an auditorempanelled with the Board.
(b) each[69][collective investment scheme] to be appraised at the end of each financial yearby an appraising agency.
(c) [70][collective investment scheme] rated by a credit rating agency.
(11) A meeting of the trustees to discuss the affairs of the [71][collective investment scheme] shall beheld at least twice in every three months in a financial year.
(12) The trustee shall report to the Board any breach of these regulations andhas had, or is likely to have, a materially adverse effect on the interests of unitholders as soon as they become aware of the breach.
(13) The trustee shall ensure that—
(a) the fees and expenses of the [72][collective investment scheme] are within the limits asspecified in Part I of the Ninth Schedule;
(b) accounts of the [73][collective investment scheme]s are drawn up in accordance with theaccounting norms as specified in Part II of the Ninth Schedule.

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[61] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[62]*ibid.*
[63]*ibid.*
[64]*ibid.*
[65]*ibid.*
[66]*ibid.*
[67]*ibid.*
[68]*ibid.*
[69]*ibid.*
[70]*ibid.*
[71]*ibid.*
[72]*ibid.*
[73]*ibid.*

(c) accounts of the [74][collective investment scheme] comply with the format of the balancesheet and the profit and loss account as specified in Part III of theNinth Schedule.

Termination of trusteeship

22**.** (1) The trusteeship of a trustee shall come to an end—
(a) if the trustee ceases to be trustee under the Securities andExchange Board of India (Debenture Trustees) Regulations, 1993;or
(b) if the trustee is in the course of being wound up; or
(c) if unit holders holding at least three-fourths of the nominal valueof the unit capital of the [75][collective investment scheme] pass a resolution for removing thetrustee and the Board approves such resolution; or
(d) if in the interest of the unit holders, the Board, for reasons to berecorded in writing decides to remove the trustee for any violation ofthe Act or these regulations committed by them; or
Provided that the trustee shall be afforded reasonableopportunity of hearing before action is taken under this clause;
(e) if the trustee serves on the Collective Investment ManagementCompany a notice of not less than three months expressing itsintention not to continue as trustee.
(2) On termination of the trusteeship under sub-regulation (1), anothertrustee, eligible to be appointed under regulation 18, shall be appointed bythe Collective Investment Management Company.
(3) The appointment of the new trustee under sub-regulation (2), shall becompleted within three months from the date the previous trusteeship cameto an end.
(4) The Board may notwithstanding anything contained in regulation 18appoint any person as a trustee if the Collective Investment ManagementCompany fails to appoint a trustee under sub-regulations (2) and (3).
(5) The trustee appointed under sub-regulations (3) and (4) shall standsubstituted as a trustee in all the documents to which the trustee so removedwas a party.
(6) The person appointed by the Board shall apply to the Court for an orderdirecting the Collective Investment Management Company to wind up the[76][collective investment scheme].
(7) A trust deed in the form as specified under regulation 16 shall be executedby the Collective Investment Management Company in favour of the trusteeso appointed and from the date of such appointment, trustees shall be subjectto all the rights and duties as specified in the regulations.
(8) The trustee so removed shall from such date be discharged fromcomplying with the obligations under the trust deed but shall remain liable forany action taken by them before such removal.

Termination of the Agreement with the Collective InvestmentManagement Company

[74] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[75]*ibid.*
[76]*ibid.*

23**.** (1) The agreement referred to in regulation 20 entered into by the trusteewith the Collective Investment Management Company may be terminated—

(a) if the Collective Investment Management Company is in thecourse of being wound up as per the provisions of the CompaniesAct, 1956; or

(b) if unit holders holding at least three-fourths of the nominal valueof the unit capital of the [77] [collective investment scheme] pass a resolution for terminatingthe agreement with the Collective Investment ManagementCompany and the prior approval of the Board has been obtained; or

(c) if in the interest of the unit holders the Board or the trustee,after obtaining prior approval of the Board, and after giving anopportunity of being heard to the Collective InvestmentManagement Company, decide to terminate the agreement with theCollective Investment Management Company.

(2) Upon termination of agreement under sub-regulation (1), anotherCollective Investment Management Company, registered with the Board,shall be appointed by the trustee within three months from the date of suchtermination.

(3) The Collective Investment Management Company so removed shallcontinue to act as such at the discretion of trustee or the trustee itself may actas Collective Investment Management Company till such time as newCollective Investment Management Company is appointed.

(4) The Collective Investment Management Company appointed under subregulation(2) shall stand substituted as a party in all the documents to whichthe Collective Investment Management Company so removed was a party.

(5) The Collective Investment Management Company so removed shallcontinue to be liable for all acts of omission and commissions notwithstandingsuch termination.

(6) If, none of the Collective Investment Management Company, registeredunder these regulations, consent to be appointed as Collective InvestmentManagement Company within a further period of three months, then thetrustee may wind up the [78][collective investment scheme].

(7) An agreement for managing [79][collective investment scheme] property shall be executed in favourof the new Collective Investment Management Company subject to all therights and duties as specified in the regulations.

CHAPTER V

[77] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[78]*ibid.*

[79]*ibid.*

[80][COLLECTIVE INVESTMENT SCHEME]S OF COLLECTIVE INVESTMENT MANAGEMENT COMPANY

Procedure for launching of [81][collective investment scheme]s

24. (1) No [82] [collective investment scheme] shall be launched by the Collective InvestmentManagement Company unless such [83][collective investment scheme] is approved by the Trustee.

Rating

(2) No [84] [collective investment scheme] shall be launched by the Collective Investment ManagementCompany without obtaining rating from a credit rating agency.

Appraisal

(3) No [85] [collective investment scheme] shall be launched by the Collective Investment ManagementCompany without getting the [86][collective investment scheme] appraised by an appraising agency.

Close ended [87][collective investment scheme] and [88][collective investment scheme] duration

(4) Collective Investment Management Company shall:—
(a) launch only close ended [89][collective investment scheme]s;
(b) the duration of the [90][collective investment scheme]s shall not be of less than threecalendar years.

Insurance

(5) Collective Investment Management Company shall obtain adequateinsurance policy for protection of the [91][collective investment scheme]e property.

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[80] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[81] *ibid.*
[82] *ibid.*
[83] *ibid.*
[84] *ibid.*
[85] *ibid.*
[86] *ibid.*
[87] *ibid.*
[88] *ibid.*
[89] *ibid.*
[90] *ibid.*
[91] *ibid.*

No guaranteed returns

25**.** No [92][collective investment scheme] shall provide guaranteed or assured returns.
Provided that indicative return may be indicated in the offer document only, ifthe same is assessed by the appraising agency and expressed in monetaryterms.

Disclosures in the offer document

26**.** (1) The Collective Investment Management Company shall beforelaunching any [93][collective investment scheme] file a copy of the offer document of the [94][collective investment scheme] asreferred to in sub-regulation (1) of regulation 24 with the Board and pay filingfees as specified in the Second Schedule.

(2) The offer document shall contain such information as specified in the SixthSchedule.

(3) The offer document shall also contain true and fair view of the [95][collective investment scheme]and adequate disclosures to enable the investors to make informed decision.

(4) The Board may in the interest of investors require the CollectiveInvestment Management Company to carry out such modifications in the offerdocument as it deems fit.

(5) In case no modifications are suggested by the Board in the offerdocument within 21 days from the date of filing, the Collective InvestmentManagement Company may issue the offer document to public.

India Code

Advertisement material

27**.** (1) Advertisements in respect of every [96][collective investment scheme] shall be in conformity withthe Advertisement Code as specified in the Seventh Schedule.
(2) The advertisement for each [97][collective investment scheme] shall disclose in addition to theinvestment objectives, the method and periodicity of valuation of [98][collective investment scheme]property.

Appraising Agency
28**.** The appraising agency whose appraisal report forms part of the offerdocument and has given a written consent for the inclusion of the appraisalreport in the offer document shall be liable for any statement in the appraisalreport which is misleading, incorrect or false.

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[92] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[93]*ibid.*
[94]*ibid.*
[95]*ibid.*
[96]*ibid.*
[97]*ibid.*
[98]*ibid.*

Misleading Statements

29**.** (1) The offer document and advertisement materials shall not bemisleading or contain any statement or opinion which are incorrect or false.
(2) Where an offer document or advertisement includes any statement oropinion which are incorrect or false or misleading, every person—
(i) who is a director of the Collective Investment ManagementCompany at the time of the issue of the offer document;
(ii) who has issued the offer document and shall be punishableunder the Act unless he proves either that the statement or opinionwas immaterial or that he had reasonable ground to believe at thetime of the issue of the offer document or advertisement that thestatement was true.

Offer period

30**.** No [99][collective investment scheme] shall be open for subscription for more than 90 days.

Allotment of Units and refunds of moneys

31**.** (1) The Collective Investment Management Company shall specify in theoffer document,—
(a) the minimum and the maximum subscription amount it seeks toraise under the [100][collective investment scheme]; and
(b) in case of oversubscription the process of allotment of theamount oversubscribed.

IndiaCode

(2) The Collective Investment Management Company shall refund theapplication money to the applicants,—
(i) if the [101] [collective investment scheme] fails to receive the minimum subscription amountreferred to in clause (a) of sub-regulation (1).

(3) Any amount refundable under sub-regulation (2) shall be refunded within aperiod of six weeks from the date of closure of subscription list, by RegisteredA.D. and by cheque or demand draft marked "A/C Payee" to the applicants.

(4) In the event of failure to refund the amounts within the period specified insub-regulation (3), the Collective Investment Management Company shallpay interest to the applicants at a rate of fifteen per cent per annum on theexpiry of six weeks from the date of closure of the subscription list.

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[99] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[100]*ibid.*
[101]*ibid.*

Unit certificates

32**.** The Collective Investment Management Company shall issue to theapplicant whose application has been accepted, unit certificates as soon aspossible but not later than six weeks from the date of closure of thesubscription list :
Provided that if the units are issued through a depository, a receipt in lieu ofunit certificate will be issued as per provisions of Securities and ExchangeBoard of India (Depositories and Participants) Regulations, 1996 and byelawsof the depository.

Transfer of units

33**.** (1) A unit certificate issued under the [102][collective investment scheme] shall be freely transferable.
(2) The Collective Investment Management Company shall, on production ofinstrument of transfer together with relevant unit certificates, register thetransfer and return the unit certificate to the transferee within thirty days fromthe date of such production.
Provided that if the units are held in a depository such units shall betransferable in accordance with the provisions of the Securities and ExchangeBoard of India (Depositories and Participants) Regulations, 1996 and the byelawsof the depository.

Money to be kept in separate account and utilisation of money

34**.** (1) The subscription amount received shall be kept in a separate bankaccount in the name of the [103][collective investment scheme] and shall be utilised for—
(a) adjustment against allotment of units only after the trustee hasreceived a statement from the registrars to the issue and sharetransfer agent regarding minimum subscription amount, as stated inthe offer document, having been received from the public, or
(b) for refund of money in case minimum subscription amount, asstated in the offer document, has not been received or in case ofover-subscription.

(2) The minimum subscription amount as specified in the offer document shallnot be less than the minimum amount, as specified by the appraising agency,needed for completion of the project for which the [104][collective investment scheme] is being launched.

(3) The moneys credited to the account of the [105][collective investment scheme] shall be utilised for thepurposes of the [106][collective investment scheme] and as specified in the offer document.

(4) Any unutilised amount lying in the account of the [107][collective investment scheme] shall beinvested in the manner as disclosed in the offer document.

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[102]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[103]*ibid.*
[104]*ibid.*
[105]*ibid.*
[106]*ibid.*

Investments and segregation of funds

35**.** The Collective Investment Management Company shall:
(a) not invest the funds of the [108][collective investment scheme] for purposes other than theobjective of the [109][collective investment scheme] as disclosed in the offer document.
(b) segregate the [110][collective investment scheme] assets of different s[111][collective investment scheme]s.
(c) not invest corpus of a [112][collective investment scheme] in other [113][collective investment scheme]s.
(d) not transfer funds from one [114][collective investment scheme] to another [115][collective investment scheme]:
Provided that inter-scheme transfer of [116][collective investment scheme] property may bepermitted at the time of termination of the [117][collective investment scheme] with priorapproval of the trustee and the Board.

Listing of [118][collective investment scheme]s

36**.** The units of every [119][collective investment scheme] shall be listed immediately after the date ofallotment of units and not later than six weeks from the date of closure of the[120][collective investment scheme] on each of the stock exchanges as mentioned in the offer document.

Winding up of [121][collective investment scheme]

37**.** (1) A[122][collective investment scheme] shall be wound up on the expiry of duration specified in the [123][collective investment scheme] or on the accomplishment of the purpose of the [124][collective investment scheme].

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[107] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[108]*ibid.*
[109]*ibid.*
[110]*ibid.*
[111]*ibid.*
[112]*ibid.*
[113]*ibid.*
[114]*ibid.*
[115]*ibid.*
[116]*ibid.*
[117]*ibid.*
[118]*ibid.*
[119]*ibid.*
[120]*ibid.*
[121]*ibid.*
[122]*ibid.*
[123]*ibid.*
[124]*ibid.*

(2) Notwithstanding anything contained in sub-regulation (1), a [125] [collective investment scheme] mayalso be wound up—
(a) on the happening of any event which, in the opinion of thetrustee, requires the [126][collective investment scheme] to be wound up and the prior approvalof the Board is obtained; or
(b) if unit holders of a [127] [collective investment scheme] holding at least three-fourth of thenominal value of the unit capital of the [128][collective investment scheme] pass a resolutionthat the [129][collective investment scheme] be wound up and the approval of the Board isobtained; or
(c) if in the opinion of the Board, the continuance of the [130][collective investment scheme] isprejudicial to the interests of the unit holders; or
(d) if in the opinion of the Collective Investment ManagementCompany, the purpose of the [131][collective investment scheme] cannot be accomplished andit obtains the approval of the trustees and also of the unit holders ofthe [132][collective investment scheme] holding at least three-fourth of the nominal value of theunit capital of the [133][collective investment scheme] with a resolution that the [134][collective investment scheme] bewound up and the approval of the Board is obtained.

(3) Where a [135][collective investment scheme] is to be wound up under sub-regulation (1) or sub-regulation(2), the trustee shall give notice disclosing the circumstancesleading to the winding up of the [136][collective investment scheme] in a daily newspaper havingnationwide circulation and in the newspaper published in the language of the
region where the Collective Investment Management Company is registered.

(4)(*a*) The trustee shall dispose of the assets of the [137][collective investment scheme] concerned in thebest interest of the unit holders of that [138][collective investment scheme].
(*b*) The proceeds of sale realised under clause (*a*), shall be first utilized towards the discharge of such liabilities as are due and payable under the [139][collective investment scheme] and after making appropriate provision for meeting the expensesconnected with such winding up, the balance shall be paid to the unit holdersin proportion to their unit holding.

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[125] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[126]*ibid.*
[127]*ibid.*
[128]*ibid.*
[129]*ibid.*
[130]*ibid.*
[131]*ibid.*
[132]*ibid.*
[133]*ibid.*
[134]*ibid.*
[135]*ibid.*
[136]*ibid.*
[137]*ibid.*
[138]*ibid.*
[139]*ibid.*

(5) On the completion of the winding up, the trustee shall forward to the Boardand the unit holders :
(a) a report on the steps taken for realisation of assets of the[140][collective investment scheme], expenses for winding up and net assets available fordistribution to the unit holders, and
(b) a certificate from the auditors of the [141][collective investment scheme] to the effect thatall the assets of the [142][collective investment scheme] are realised and the details of thedistribution of the proceeds.

(6) The unclaimed money if any at the time of winding up shall be keptseparately in a bank account by the trustee for a period of three years for thepurpose of meeting investors' claims and thereafter shall be transferred toinvestor protection fund, as may be specified by the Board.

Effect of commencement of winding up proceedings

38**.** On and from the date of the publication of notice under sub-regulation (3)of regulation 37, the trustee or the Collective Investment ManagementCompany as the case may be, shall cease to carry on any business activitiesin respect of the [143][collective investment scheme] so wound up.

Cessation of the [144][collective investment scheme]

39**.** If, after the receipt of the report under sub-regulation (5) of regulation 37,the Board is satisfied that all the measures for winding up of the [145][collective investment scheme] havebeen complied with, the [146][collective investment scheme] shall cease to exist.

CHAPTER VI
GENERAL OBLIGATIONS

To maintain proper books of account and records, etc.

40**.** (1) Every Collective Investment Management Company shall—
(a) keep and maintain proper books of account, records anddocuments, for each [147][collective investment scheme] so as to explain its transactions and todisclose at any point of time the financial position of each [148][collective investment scheme]

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[140] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[141]*ibid.*
[142]*ibid.*
[143]*ibid.*
[144]*ibid.*
[145]*ibid.*
[146]*ibid.*
[147]*ibid.*
[148]*ibid.*

and in particular give a true and fair view of the state of affairs of the[149][collective investment scheme], and
(b) intimate to the Board and the trustees the place where suchbooks of account, records and documents including computerrecords are maintained.

(2) Every Collective Investment Management Company shall continue tomaintain and preserve, for a period of five years after the close of each[150][collective investment scheme], its books of account, records, computer data and documents.

Financial year

41**.** The financial year for all the [151][collective investment scheme]s shall end as on March 31 of eachyear.

Dispatch of warrants and proceeds

42**.** The Collective Investment Management Company shall,
(a) Dispatch to the unit holders the warrants within 42 days of thedeclaration of the interim returns.
(b) Dispatch the redemption proceeds within 30 days of the closureor the winding up of the [152][collective investment scheme].

IndiaCode

Statement of Accounts and Annual Report

43**.** (1) The Collective Investment Management Company shall:
(a) not exceed the ceilings on expenses or fees in respect of the[153][collective investment scheme] as specified in Part I of the Ninth Schedule;
(b) prepare the accounts of the [154][collective investment scheme] in accordance withaccounting norms as specified in Part II of the Ninth Schedule;
(c) comply with format of balance sheet and profit and lossaccounts as specified in Part III of the Ninth Schedule.

(2) An annual report and annual statement of accounts of each [155][collective investment scheme] shallbe prepared in respect of each financial year.

(3) Every Collective Investment Management Company shall within twomonths from the date of closure of each financial year forward to the Board acopy of the Annual Report.

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[149]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[150]*ibid.*
[151]*ibid.*.
[152]*ibid.*
[153]*ibid.*
[154]*ibid.*
[155]*ibid.*

Auditor's Report

44. (1) Every [156][collective investment scheme] shall have the annual statement of accounts audited byan auditor who is empanelled with the Board and who is not in any wayassociated with the auditor of the Collective Investment ManagementCompany.

(2) The auditor shall be appointed by the trustee.

(3) The auditor shall forward his report to the trustee and such report shallform part of the Annual Report of the v.

(4) The auditor's report shall comprise the following:—
(a) a certificate to the effect that:—
(i) he has obtained all information and explanations which,to the best of his knowledge and belief, were necessary for thepurpose of the audit;
(ii) the balance sheet and the revenue account give a fairand true view of the v, state of affairs and surplus ordeficit in the [157][collective investment scheme] for the accounting period to which theBalance Sheet or, as the case may be the Revenue Accountrelates;
(iii) the statement of account has been prepared inaccordance with accounting policies and standards as specifiedin Part II of the Ninth Schedule;
(iv) any other matter which in the opinion of the auditor isvital and has a bearing on the [158][collective investment scheme]s.

IndiaCode

Functions of auditors of [159][collective investment scheme]

45. (1) The auditor of the [160][collective investment scheme] shall, as soon as possible, notify the Boardand the trustee in writing if he has reasonable grounds to suspect that acontravention of the regulations has occurred or if the [161][collective investment scheme]s are notconducted on sound commercial principles.
(2) The auditor of the [162][collective investment scheme]:
(a) shall have a right to access at all reasonable times to the booksof the [163][collective investment scheme]; and
(b) may require any employee of the Collective InvestmentManagement Company to give the auditor information andexplanations for the purposes of the audit.

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[156]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[157]*ibid.*
[158]*ibid.*
[159]*ibid.*
[160]*ibid.*
[161]*ibid.*
[162]*ibid.*
[163]*ibid.*

Removal or Resignation of auditors

46**.** (1) The trustee, after prior approval of the trustee and for reasons to berecorded in writing remove the auditor of the v for misconduct orinefficiency after giving the auditor a reasonable opportunity of hearing :

Provided that another auditor for the [164] [collective investment scheme] is appointed by trusteeimmediately from auditors empanelled with the Board.

(2) The auditor of the [165][collective investment scheme] may resign by giving a three months writtennotice to the Collective Investment Management Company and to the trustee.

Publication of Annual Report and summary thereof

47**.** (1) The [166][collective investment scheme] wise annual report or an abridged form thereof shall bepublished in a national daily as soon as possible but not later than twocalendar months from the date of finalisation of accounts.

(2) The annual report shall contain details as specified in the Ninth Scheduleand such other details as are necessary for the purpose of providing a trueand fair view of the operations of the collective investment scheme.

(3) The report if published in abridged form shall carry a note that full annualreport shall be available for inspection at the Head Office and all branchoffices of the Collective Investment Management Company.

IndiaCode

Periodic and continual disclosures

48**.** (1) The Collective Investment Management Company and the trustee,shall make such disclosures or submit such documents as they may be calledupon by the Board to make or submit.

(2) Without prejudice to the generality of sub-regulation (1), the CollectiveInvestment Management Company on behalf of the [167] [collective investment scheme] shall furnish thefollowing periodic reports to the Board, namely:

(a) copies of the duly audited annual statements of accountincluding the balance sheet and the profit and loss account inrespect of each [168][collective investment scheme], once a year;

(b) a copy of quarterly unaudited accounts;

(c) a quarterly statement of changes in net assets for each of the [169] [collective investment scheme]s.

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[164]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[165]*ibid.*

[166]*ibid.*

[167]*ibid.*

[168]*ibid.*

[169]*ibid.*

Quarterly disclosures

49. A Collective Investment Management Company, on behalf of the [170][collective investment scheme]shall before the expiry of one month from the close of each quarter that is31st March, 30th June, 30th September and 31st December publish itsunaudited financial results in one daily newspaper having nationwidecirculation and in a newspaper published in the language of the region where
the Head Office of the Collective Investment Management Company issituated.
Provided that the quarterly unaudited report referred in this sub-regulationshall contain details as specified in the regulations and such other details asare necessary for the purpose of providing a true and fair view of theoperations of the [171][collective investment scheme].

Disclosures to the investors

50. The trustee shall ensure that the Collective Investment ManagementCompany shall make such disclosures to the unit holders as are essential inorder to keep them informed about any matter which may have an adversebearing on their investments.

Calling of meeting of unit holders, transfer and transmission of units

51. The calling of meeting of unit holders as well as transfer and transmissionof units of [172][collective investment scheme] shall be as per the provisions of the Eighth Schedule.

IndiaCode

CHAPTER VII
INSPECTION AND AUDIT

Board's right to inspect and investigate

52. (1) The Board may appoint one or more persons as Inspecting Officer toundertake the inspection of the books of account, records, documents andinfrastructure, systems and procedures or to investigate the affairs of thetrustee and Collective Investment Management Company for any of thefollowing purposes, namely:
(a) to ensure that the books of account are being maintained bythe Collective Investment Management Company in the mannerspecified in these regulations;
(b) to ascertain whether the provisions of the Act and theseregulations are being complied with by the trustee and CollectiveInvestment Management Company;
(c) to ascertain whether the systems, procedures and safeguardsfollowed by the Collective Investment Management Company areadequate;

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[170]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[171]*ibid.*
[172]*ibid.*

(d) to investigate into the complaints received from the investors orany other person on any matter having a bearing on the activities ofthe trustee and Collective Investment Management Company.

Notice before inspection and investigation

53**.** (1) Before ordering an inspection under regulation 52 the Board shall givenot less than ten days notice to the Collective Investment ManagementCompany or trustee as the case may be.

(2) Notwithstanding anything contained in sub-regulation (1), where the Boardis satisfied that in the interest of the investors no such notice is required to begiven, it may, by an order in writing direct that such inspection or investigationbe taken up immediately without any notice.

(3) During the course of inspection or investigation, the trustee or CollectiveInvestment Management Company against whom the inspection orinvestigation is being carried out shall be bound to discharge his obligationsas provided in regulation 54.

Obligations during inspection and investigation

54**.** (1) It shall be the duty of the trustee or Collective InvestmentManagement Company whose affairs are being 32 inspected or investigated,and of every director, officer and employee thereof, to produce such books,accounts, records, and other documents in its custody or control and furnishhim such statements and information relating to the activities as trustee orCollective Investment Management Company, as the inspecting officer mayrequire, within such reasonable period as the inspecting officer may specify.

(2) The trustee or Collective Investment Management Company shall allowthe inspecting officer to have a reasonable access to the premises occupiedby it or by any other person on its behalf and also provide necessaryinfrastructure for examining any books, records, documents, and computerdata in the possession of the trustee and Collective Investment ManagementCompany or such other person and also provide copies of documents orother materials which in the opinion of the inspecting officer are relevant forthe purpose of the inspection.

Submission of report to the Board

55**.** The inspecting officer shall, on completion of the inspection orinvestigation, submit a report to the Board :
Provided that if directed to do so by the Board, he shall submit interim reportsalso.

[173]Action on inspection or investigation report

56**.** The Board or the Chairman shall after consideration of inspection orinvestigation report take such action as the Board or Chairman may deem fitand appropriate including action under [174]Chapter V of the Securities andExchange Board of India (Intermediaries) Regulations, 2008**]**.]

Appointment of Auditor and recovery of expenses

57**.** (1) Without prejudice to the provisions of regulation 52, the Board shallhave the power to appoint an auditor to inspect or investigate, as the casemay be, into the books of account or the affairs of the trustee or CollectiveInvestment Management Company in respect of [175][collective investment scheme]s :
Provided that the Auditor so appointed shall have the same powers of theinspecting officer as stated in regulation 52 and the obligation of theCollective Investment Management Company or trustee and their respectiveemployees in regulation 54, shall be applicable to the inspection under thisregulation.

Payment of inspection fees to the Board
(2) The Board shall be entitled to recover such expenses including fees paidto the auditors as may be incurred by it for the purposes of inspecting thebooks of account, records and documents of the trustee or CollectiveInvestment Management Company.

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CHAPTER VIII
PROCEDURE FOR ACTION IN CASE OF DEFAULT

58**.** **[176]**[***]

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[173]Substituted by the Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002. Prior to substitution the regulation 56 read as under:
"Communications of findings, etc.
56. (1) The Board shall, after consideration of the report referred to in regulation 55, communicate
the findings to the trustee or Collective Investment Management Company as the case may be, andgive him an opportunity of being heard within fourteen days from the date of receipt of such communication.
(2) Without prejudice to its right to initiate necessary action under the Act and these regulations, the Board upon receipt of the reply, if any, from the trustee or Collective Investment ManagementCompany may call upon it to take such remedial measures as the Board may direct in this behalfand may also initiate action under Chapter VIII of these regulations."
[174]Substituted for "the Securities and Exchange Board of India (Procedure for Holding Enquiry byEnquiry Officer and Imposing Penalty) Regulations, 2002" by the SEBI (Intermediaries) Regulations, 2008, w.e.f. 26-05-2008.

[175] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[176]Omitted by the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty)Regulations, 2002, w.e.f. 27-09-2002.

[177]Liability for action in case of default

59**.** In case a Collective Investment Management Company—

(a) contravenes any provision of the Act or these regulations;

(b) for the purposes of these regulations furnishes any informationwhich is false or misleading or suppresses any material information;

(c) does not co-operate in any inspection, investigation or inquiryconducted by the Board under the Act or these regulations;

(d) fails to comply with any directions issued by the Board underthe Act or the regulations;

(e) fails to resolve the complaints of the investors or fails to furnishto the Board a satisfactory reply in this behalf when called upon todo so by the Board;

(f) commits a breach of any provision of the Code of Conductspecified in the Third Schedule;

(g) fails to pay the fees specified in the Second Schedule;

(h) commits a breach of the conditions of registration; or

(i) fails to make an application for listing or fails to list units of a[178][collective investment scheme] in a recognized stock exchange,shall be dealt with in the manner provided in [179][Chapter V of theSecurities and Exchange Board of India (Intermediaries)Regulations, 2008].

60**.** to 64**.** **[180]**[***]

Directions by the Board

65**.** The Board may, in the interests of the securities market and the investorsand without prejudice to its right to initiate action under this Chapter, includinginitiation of criminal prosecution under section 24 of the Act, give suchdirections as it deems fit in order to ensure effective observance of theseregulations, including directions:

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[177]Substituted by the SEBI (Procedure for Holding Enquiry by Enquiry Officer and ImposingPenalty) Regulations, 2002, w.e.f, 27-09-2002.

[178]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[179]Substituted for "the Securities and Exchange Board of India (Procedure for Holding Enquiry byEnquiry Officer and Imposing Penalty) Regulations, 2002" by the SEBI (Intermediaries)Regulations, 2008, w.e.f. 26-05-02008.

[180]Regulations 60 to 64 omitted by the SEBI (Procedure for Holding Enquiry by Enquiry Officerand Imposing Penalty) Regulations, 2002, w.e.f. 27-09-2002.

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(a) requiring the person concerned not to collect any money frominvestors or to launch any [181][collective investment scheme];
(b) prohibiting the person concerned from disposing of any of theproperties of the [182][collective investment scheme] acquired in violation of these regulations;
(c) requiring the person concerned to dispose of the assets of the [183] [collective investment scheme] in a manner as may be specified in the directions;
(d) requiring the person concerned to refund any money or theassets to the concerned investors along with the requisite interest orotherwise, collected under the [184] [collective investment scheme];
(e) prohibiting the person concerned from operating in the capitalmarket or from accessing the capital market for a specified period.

Action against intermediaries

66**.** The Board may initiate action for suspension or cancellation ofregistration of an intermediary holding a certificate of registration undersection 12 of the Act who fails to exercise due diligence in the performance ofits functions or fails to comply with its obligations under these regulations : Provided that no such certificate of registration shall be suspended orcancelled unless the procedure specified in the regulations applicable to suchintermediary is complied with.

Appeal to the Central Government

[185]67**.** Any person aggrieved by an order of the Board made, on and after thecommencement of the Securities Laws (Second Amendment) Act, 1999, (*i.e.*,after 16th December, 1999), under these regulations may prefer an appeal toa Securities Appellate Tribunal having jurisdiction in the matter.]

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[181]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[182]*ibid.*
[183]*ibid.*
[184]*ibid.*
[185] Substituted by the SEBI (Appeal to the Securities Appellate Tribunal) (Amendment)Regulations, 2000, w.e.f. 28-03-2000. Prior to its substitution the regulation read as under:
" 67. Any person aggrieved by an order of the competent authority or the Board under theseregulations:
(a) suspending the certificate of registration; or
(b) canceling such certificate; or
(c) issuing directions under regulation 65
may prefer an appeal to the Central Government against such order, in accordance with theSecurities and Exchange Board of India (Appeals to Central Government) Rules, 1993."

CHAPTER IX
EXISTING COLLECTIVE INVESTMENT SCHEMES

Existing [186][collective investment scheme]s to obtain provisional registration

68**.** (1) Any person who has been operating a collective investment scheme atthe time of commencement of these regulations shall be deemed to be anexisting collective investment scheme and shall also comply with theprovisions of this Chapter.

Explanation : The expression 'operating a collective investment scheme'shall include carrying out the obligations undertaken in the various documentsentered into with the investors who have subscribed to the [187][collective investment scheme].

(2) An existing collective investment scheme shall make an application to theBoard in the manner specified in regulation 5.

(3) The application made under sub-regulation (2) shall be dealt with in any ofthe following manner:
(a) by grant of provisional registration by the Board under sub-regulation(1) of regulation 71;
(b) by grant of a certificate of registration by the Board underregulation 10;
(c) by rejection of the application for registration by the Boardunder regulation 12.

India Code

No [188][collective investment scheme] to be launched until grant of registration

69**.** No existing collective investment scheme shall launch any new [189][collective investment scheme] orraise money from the investors even under the existing [190][collective investment scheme], unless acertificate of registration is granted to it by the Board under regulation 10.

Consideration of application for grant of provisional registration

70**.** (1) The applicant for the purpose of being considered eligible for the grantof provisional registration shall satisfy the Board that—
(a) the [191] [collective investment scheme]s of the applicant are in the nature of collectiveinvestment schemes;
(b) the affairs of the applicant are not being conducted in a mannerdetrimental to the interest of existing investors;
(c) the applicant has at least 50% independent directors at thetime of making the application.

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[186]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[187]*ibid.*
[188]*ibid.*
[189]*ibid.*
[190]*ibid.*
[191]*ibid.*

Explanation :— "Independent directors" shall mean directorswho are not associates of the persons operating the existingcollective investment scheme;
(d) any person, directly or indirectly connected with it has not beengranted registration by the Board under the Act.

(2) The Board for the purposes of grant of provisional registration may, *interalia*, inspect the [192][collective investment scheme]s, books of account, records and documents of theapplicant.

(3) The Board shall recover from the applicant such expenses including feespaid to the auditor, appraising agency as may be incurred by it for thepurposes of inspecting the [193][collective investment scheme]s, books of account, records anddocuments of the applicant.

(4) The Board on being satisfied that the requirements specified in sub-regulation(1) are not fulfilled may reject the application and the applicantthereupon shall wind up its existing [194][collective investment scheme](s) in the manner specified inregulation 73.

Grant of provisional registration

71**.** (1) The Board after being satisfied that the conditions specified inregulation 70 are fulfilled may grant provisional registration to the applicantsubject to the following conditions, namely :—
(a) the applicant shall get the existing [195][collective investment scheme]s rated by a credit rating agency within [196][two] year from the date of grant of provisionalregistration;
(b) the applicant shall get the existing [197][collective investment scheme]s audited by an auditor within a period of [198][two] year from the date of grant ofprovisional registration;
(c) the applicant shall get existing [199][collective investment scheme]s appraised by anappraising agency within a period of [200][two] year from the date ofgrant of provisional registration;

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[192]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[193]*ibid.*
[194]*ibid.*
[195]*ibid.*
[196]Word "one" in clause (a) of sub-regulation (1) of Regulation 71 is substituted by the Securitiesand Exchange Board of India (Collective Investment Schemes) (Amendment) Regulations, 2002,w.e.f, 17-01-2002.
[197]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[198]Word "one" in clause (b) of sub-regulation (1) of Regulation 71 is substituted by the Securitiesand Exchange Board of India (Collective Investment Schemes) (Amendment) Regulations, 2002,w.e.f, 17-01-2002.
[199]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[200]Word "one" in clause (c) of sub-regulation (1) of Regulation 71 is substituted by the Securitiesand Exchange Board of India (Collective Investment Schemes) (Amendment) Regulations, 2002,w.e.f, 17-01-2002.

(d) the applicant shall create a trust and appoint trustees in themanner specified in Chapter IV of these regulations within a periodof [201][two] years from the date of grant of provisional registration;
(e) the applicant shall comply with accounting and valuation normsin respect of [202][collective investment scheme]s floated before the commencement of theseregulations as specified in Part II of the Ninth Schedule within aperiod of [203][two] year from the date of provisional registration;
(f) the applicant shall meet the minimum net worth of Rupees onecrore within one year from the date of grant of provisionalregistration which shall be increased by Rupees one crore each within two years, three years, four years and five years from thedate of grant of provisional registration;

(g) the applicant shall not dispose of the [204][collective investment scheme] property exceptfor meeting obligations arising under the offer document of the[205][collective investment scheme];
(h) the applicant shall comply with the conditions specified inregulation 11;
(i) such other conditions which the Board may impose.

(2) The applicant shall give a written undertaking to the Board to comply withthe conditions specified in sub-regulation (1).

(3) The applicant who has been considered eligible for the grant of provisionalregistration by the Board shall pay provisional registration fee as per theSecond Schedule.

(4) An applicant who after grant of provisional registration fails to comply withthe conditions as specified in sub-regulation (1) and regulation 9 shall not beconsidered eligible for the grant of certificate of registration under regulation10 and shall wind up the [206][collective investment scheme] in the manner specified in regulation 73.

Registration to existing [207][collective investment scheme]

72**.** (1) An existing Collective Investment Scheme which satisfies the Boardthat the requirements specified in regulation 9 and the conditions specifiedunder regulation 71 have been fulfilled,

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[201] Word "one" in clause (d) of sub-regulation (1) of Regulation 71 is substituted by the Securitiesand Exchange Board of India (Collective Investment Schemes) (Amendment) Regulations, 2002,w.e.f, 17-01-2002.
[202]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[203]Word "one" in clause (e) of sub-regulation (1) of Regulation 71 is substituted by the Securitiesand Exchange Board of India (Collective Investment Schemes) (Amendment) Regulations, 2002,w.e.f, 17-01-2002.
[204]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[205]*ibid.*
[206]*ibid.*
[207]*ibid.*

shall be granted a certificate ofregistration under regulation 10 upon payment of registration fees asspecified in paragraph 2 of the Second Schedule and on such terms and conditions as may be specified by the Board.

(2) An existing Collective Investment Scheme which has been grantedcertificate of registration under sub-regulation (1) may be allowed to float new[208][collective investment scheme]s on such terms and conditions as may be specified by the Board.

Manner of repayment and winding up

73**.** (1) An existing collective investment scheme which:
(a) has failed to make an application for registration to the Board;
or
(b) has not been granted provisional registration by the Board; or
(c) having obtained provisional registration fails to comply with theprovisions of regulation 71;
shall wind up the existing [209][collective investment scheme].

(2) The existing Collective Investment Scheme to be wound up under sub-regulation(1) shall send an information memorandum to the investors whohave subscribed to the [210][collective investment scheme]s, within two months from the date of receiptof intimation from the Board, detailing the state of affairs of the [211][collective investment scheme], theamount repayable to each investor and the manner in which such amount isdetermined.

(3) The information memorandum referred to in sub-regulation (2) shall bedated and signed by all the directors of the [212][collective investment scheme].

(4) The Board may specify such other disclosures to be made in theinformation memorandum, as it deems fit.

(5) The information memorandum shall be sent to the investors within oneweek from the date of the information memorandum.

(6) The information memorandum shall explicitly state that investors desirousof continuing with the [213][collective investment scheme] shall have to give a positive consent within onemonth from the date of the information memorandum to continue with the[214][collective investment scheme].

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[208]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[209]*ibid.*
[210]*ibid.*
[211]*ibid.*
[212]*ibid.*
[213]*ibid.*
[214]*ibid.*

(7) The investors who give positive consent under sub-regulation (6), shallcontinue with the [215][collective investment scheme] at their risk and responsibility :
Provided that if the positive consent to continue with the [216][collective investment scheme], is receivedfrom only twenty-five per cent or less of the total number of existing investors,the [217][collective investment scheme] shall be wound up.

(8) The payment to the investors, shall be made within three months of thedate of the information memorandum.

(9) On completion of the winding up, the existing collective investmentscheme shall file with the Board such reports, as may be specified by theBoard.

Existing [218][collective investment scheme] **not desirous of obtaining registration to repay**

74**.** An existing collective investment scheme which is not desirous ofobtaining provisional registration from the Board shall formulate a scheme ofrepayment and make such repayment to the existing investors in the mannerspecified in regulation 73.

[219][CHAPTER IX A
EXISTING SCHEMES OR ARRANGEMENTS DEEMED TO BE A COLLECTIVE INVESTMENT SCHEME

Existing schemes or arrangements deemed to be a collective investment scheme to obtain provisional registration

74A. (1) Any person who has been operating a scheme or arrangement deemed to be a collective investment scheme under the proviso to sub-section (1) of section 11AA of the Act at the time of commencement of the Securities and Exchange Board of India (Collective Investment Schemes) (Amendment) Regulations, 2014, shall be deemed to be an existing collective investment scheme and shall also comply with the provisions of Chapter IX:
Provided that any scheme or arrangement which is otherwise regulated or prohibited under any other law shall not be deemed to be a collective investment scheme.
Explanation : The expression 'operating a scheme or arrangement deemed to be a collective investment scheme' shall include carrying out the obligations undertaken in the various documents entered into with the investors who have subscribed to the scheme or arrangement.
(2) An existing collective investment scheme shall make an application to the Board in the manner specified in regulation 5.]

CHAPTER X

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[215]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[216]*ibid.*
[217]*ibid.*
[218]*ibid.*
[219]Inserted,*ibid.*

MISCELLANEOUS

Power of the Board to issue clarifications

75**.** In order to remove any difficulties in the application or interpretation ofthese regulations, the Board shall have the power to issue clarifications andguidelines in the form of notes or circulars which shall be binding on thetrustee or Collective Investment Management Company or any otherintermediary in the capital market.

FIRST SCHEDULE
FORMS
FORM A
SECURITIES AND EXCHANGE BOARD OF INDIA (COLLECTIVE INVESTMENT SCHEME) REGULATIONS, 1999
[Regulations 4, 5(2)]
APPLICATION FOR THE GRANT OF REGISTRATION AS COLLECTIVE INVESTMENT MANAGEMENT COMPANY

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1. NAME OF THE APPLICANT :

2. CONTACT PERSON :

3. NAME OF THE COMPLIANCE OFFICER :
TELEPHONE NO. : FAX NO. :

4. ADDRESS OF THE REGISTERED OFFICE OF THE APPLICANT :
PIN CODE :
TELEPHONE NO. : FAX NO. :

5. ADDRESS OF THE APPLICANT FOR CORRESPONDENCE :
PIN CODE :
TELEPHONE NO. : FAX NO. :

6. ADDRESS OF BRANCH OFFICES (IN INDIA & ABROAD) OF THE APPLICANT, IF ANY :
(*A*)
(*B*)
(*C*)

7. WHETHER ANY OTHER APPLICATION UNDER SECURITIES ANDEXCHANGE BOARD OF INDIA ACT, 1992 HAS BEEN MADE FORGRANT OF CERTIFICATE, IF SO, DETAILS THEREFOR :

8. DATE AND PLACE OF INCORPORATION OF THE COLLECTIVEINVESTMENT MANAGEMENT COMPANY :

(Enclose a copy of certificate of incorporation)

9. OBJECTS OF THE COLLECTIVE INVESTMENT MANAGEMENTCOMPANY :
(Enclose copy of the Memorandum and Articles of Association)

10. MAIN OBJECTS :

11. ANCILLARY OBJECTS :
(the Memorandum and Articles of Association should have necessaryclause in respect of collective investment scheme and amendments, ifany, shall have to be incorporated in the existing Memorandum andArticles of Association)

12. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN :
(give list of major shareholders holding 5% or more voting rights andpercentage of their share holdings, as of the latest date)

13. NET WORTH OF THE COMPANY :
(as of the latest date)

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14. PRESENT LINE(S) OF BUSINESS ACTIVITIES:
(History, major achievements and present activity)

15. FINANCIAL INFORMATION :
(Enclose Balance Sheet and Profit and Loss account for the immediatelypreceding 3 years)

16. ACCOUNTING POLICIES:
(Furnish description of significant accounting policies)

17. NAMES AND ACTIVITIES OF ASSOCIATE COMPANIES/CONCERNSCARRYING ON ACTIVITIES RELATED TO THE SECURITIES MARKETAND GRANTED REGISTRATION BY SEBI :

18. MANAGEMENT OF THE COLLECTIVE INVESTMENT MANAGEMENTCOMPANY:

19. BOARD OF DIRECTORS :
(Indicate name, qualifications, background, experience, whetherdirectorship is on whole-time/part-time basis, other directorships, of theDirectors. Whether any of the Directors is in full employment elsewhere;give details thereof. If any of the Directors is a member of a professional body*i.e.,* the ICAI or ICSI, to furnish permission of the professional bodyfor acting as director of the applicant)

20. KEY MANAGEMENT PERSONNEL :
(Furnish the names, qualifications, experience of the key managementpersonnel indicating their experience. Also, submit proof of acceptanceof appointment letter, latest salary slips)

21. OTHER EMPLOYEES :

(Furnish the names, qualifications, experience of the other employees)

22. DETAILS OF INFRASTRUCTURAL FACILITIES :

23. OFFICE SPACE :
(Mention extent of area available at the place where the main activitywould be carried out; detail of office space available at all the locations;certified copies of relevant sale deed/lease deed/rental agreement etc. inrespect of each of the premises to be enclosed.)
24. OFFICE EQUIPMENT :
(mention the details of electronic office equipment, computers, fax,telephones etc; submit proof of purchase of the above equipments.)

25. INVOLVEMENT IN CASES :
(*a*) Court cases/litigations in which the applicant may have beeninvolved in the last 3 years.
(*b*) Involvement in any offence relating to moral turpitude/economicoffences of the directors, employees of the applicant in the last 3years.

26. AUDITORS

27. OTHER INFORMATION :
Any other information considered relevant to the nature of servicesrendered by the applicant.
Names and addresses of the auditors of the applicant :

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28. DOCUMENTS :
Submit copies of :
(*a*) Draft Trust Deed; and
(*b*) Draft Investment Management Agreement

INSTRUCTION FOR FILLING UP THE FORM :—
(*a*) Applicants must submit a completed application form together withappropriate supporting documents to the Board.
(*b*) It is important that this application form should be filled inaccordance with the regulations.
(*c*) An application which is not complete is liable to be rejected.
(*d*) Answers must be typed and legible.
(*e*) Information which needs to be supplied in more details may begiven on separate sheets which should be attached to theapplication form.
(*f*) The application must be signed by the competent person havingauthority to do so and all signatures must be in original.

FORM B

SECURITIES AND EXCHANGE BOARD OF INDIA (COLLECTIVE INVESTMENT SCHEME) REGULATIONS, 1999

[Regulation 10]

CERTIFICATE OF REGISTRATION

In exercise of the powers conferred by section 30 of the Securities andExchange Board of India Act, 1992 (15 of 1992), read with the Securities andExchange Board of India (Collective Investment Scheme) Regulations, 1999made thereunder the Board hereby grants a certificate of registration to..... as an Collective InvestmentManagement Company.

Registration Code for the Collective Investment Management Company is
CIMC/CIS/ / /

Date
By order
Sd/-
For and on behalf
Securities and Exchange Board of India

FORM C

SECURITIES AND EXCHANGE BOARD OF INDIA (COLLECTIVE INVESTMENT SCHEME) REGULATIONS, 1999
[Regulation 18(2)]
TRUSTEESHIP OF THE COLLECTION INVESTMENT SCHEME

(1) Furnish the following particulars :
(a) Name of the Institution
(b) Address/telephone/telex/fax Nos.
(c) Name of the contact person
(d) SEBI Registration No.:
(e) Management of the trustee
Board of Directors
Key Personnel
Other Employees
(f) Details of Infrastructure facilities
Office Space
Office Equipment
(g) Court cases/litigations in which the trustee may have been involved in the last three years and whether the case is pending or has been adjudicated.
(h) Any penalty imposed by SEBI or by other regulatory bodies during the last three years.
(i) Any other information considered relevant to the nature of services rendered by the trustee.
(2) INSTRUCTION FOR FILLING UP THE FORM
(*See* Form A)

SECOND SCHEDULE

SECURITIES AND EXCHANGE BOARD OF INDIA (COLLECTIVE INVESTMENT SCHEME) REGULATIONS, 1999
[Regulations 6, 10, 26(1), 59(g), 71(3), 72(1)]

FEES

1. (a) Application fees payable by the applicant : Rupees Twenty-Five Thousand

(b) Provisional registration fees payable by existingRupees Five Lacs
collective investment scheme: [see para 2below]

(c) Registration fees payable by the applicant for grant of registration as collective investment management company : Rupees Ten Lacs

(d) Filing fees for offer document :Rupees Twenty-Five thousand

2. The applicant who has paid provisional registration fee of Rs. 5 lacsunder sub-paragraph (b) of paragraph 1, shall pay remaining registrationfee of Rs. 5 lacs at the time of grant of registration.

3. The fees referred to in paragraphs 1 and 2 above, shall be paid [220][by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or] bymeans of a bank draft in favour of "Securities and Exchange Board ofIndia" at Mumbai or at the regional offices where the application forregistration or draft offer document is submitted.

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THIRD SCHEDULE

SECURITIES AND EXCHANGE BOARD OF INDIA (COLLECTIVE INVESTMENT SCHEME) REGULATIONS, 1999
[Regulations 14(h), 21(8), 59(f)]

CODE OF CONDUCT

1. Interests of all classes of unit holders to be protected
The organisation, operation and management of the Collective InvestmentScheme and the creation of assets therein shall be conducted—
(*a*) in the interest of all classes of unit holders of the [221][collective investment scheme]; and
(*b*) not merely in the interests of the directors of the company or associatedpersons or any special class of unit holders.

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[220] Inserted by the SEBI (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017, w.e.f. 6-3-2017.
[221] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014, w.e.f. 9-1-2014.

2. Dissemination of information
(*a*) the trustee and the Collective Investment Management Company shallensure the timely dissemination to all unit holders, of adequate accurateand explicit information about the investment policies, investmentobjectives, financial position and general affairs of the [222][collective investment scheme];
(*b*) all such information shall be fairly presented in simple language.

3. Conflict of interest
The trustee and the Collective Investment Management Company shall inmanaging the affairs of the [223][collective investment scheme]s avoid conflicts of interest and treat theinterests of all unit holders paramount in all matters.

4. Segregation
The trustee and the Collective Investment Management Company shallensure scheme-wise segregation of funds and assets as created.

5. Integrity, investments as per objects, etc.
The trustee and the Collective Investment Management Agency shall
(a) carry on the business and make investments in accordance with theinvestment objectives stated in the offer documents and take investmentdecisions solely in the interests of unit holders;
(b) not use any unethical means for marketing their [224][collective investment scheme]s or for inducinginvestors to bring the same;
(c) carry on all their activities in the interests of unit holders and with strictregard to integrity and honesty.

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FOURTH SCHEDULE

SECURITIES AND EXCHANGE BOARD OF INDIA (COLLECTIVE INVESTMENT SCHEME) REGULATIONS, 1999
[Regulation 17(1)]

CONTENTS OF THE TRUST DEED

1. Principal Clauses
The Trust Deed shall contain the following clauses, namely:—
(a) the responsibilities, obligations and rights of the trustee for the protectionof the assets of the [225][collective investment scheme],

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[222]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[223]*ibid.*
[224]*ibid.*
[225]*ibid.*

(b) provisions to ensure that management of [226][collective investment scheme] property shall be inaccordance with that specified in the offer document and theseregulations,
(c) the responsibilities, obligations and rights of the Collective InvestmentManagement Company,
(d) the policies for issue, pricing of units and expenses of the [227] [collective investment scheme],including payment of fees and distribution of income and gains andaccounting,
(e) the policies for disclosures of the investors of various [228] [collective investment scheme]sobjectives and investment objectives in offer documents andadvertisements and annual and half-yearly reporting requirements,
(f) provisions to ensure that the auditor for the [229] [collective investment scheme] shall be differentfrom the Auditor of the Collective Investment Management Company.Further, it shall contain conditions of appointment, retirement, removaland replacement of auditor of the [230][collective investment scheme],
(g) broad policies regarding allocation of expenditure to capital or income,
(h) provisions to explicitly forbid the acquisition of any asset out of the trustproperty which involves the assumption of any liability which is unlimitedor shall not result in encumbrance of the trust property in any way,
(i) trusteeship fee, if any, payable to the trustee,
(j) provisions to the effect that no amendment to the Trust Deed shall becarried out without the prior approval of the Board and unit holders,
(k) provisions to ensure that removal of the trustee in all cases shall requirethe prior approval of the Board and the provisions regarding appointmentof new trustee and their removal be specified,
(l) procedure for seeking approval of the unit holders,
(m) provisions for redressal of grievances of the investors and time withinwhich such complaints shall be redressed,
(n) the circumstances under which the assets may be disposed of with theapproval of the trustee,
(o) provisions regarding transfer of units, meeting of unit holders andmaintenance of upto date register of unit holders,
(p) the time within which the unit certificates shall be issued after allotmentand the time within which transfer of units shall be completed,
(q) provisions to ensure that any document required to be lodged with theBoard shall be signed by at least two Directors of the CollectiveInvestment Management Company with at least one of them being anindependent director,
(r) provisions to ensure the public availability of the trust deed for inspectionof unit holders and investors,

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[226]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[227]*ibid.*
[228]*ibid.*
[229]*ibid.*
[230]*ibid.*

(s) provisions to ensure that unit holders shall have beneficial interest in thetrust property to the extent of individual holding in respective [231][collective investment scheme]sonly.

2. Trustee's duties regarding information properly, etc.

The Trust Deed shall lay down that the trustee shall:

(a) obtain necessary information and a quarterly report from the CollectiveInvestment Management Company,

(b) make spot checks on the Collective Investment Management Companyregarding pricing of units and payment into and out of the [232][collective investment scheme] andproper accounting of the income of the [233][collective investment scheme] and charging ofexpenses and distribution as permitted,

(c) maintain an arms' length relationship with other companies, orinstitutions or financial intermediaries or any body corporate with which itmay be associated,

(d) take into their custody, or under their control all the property of the[234][collective investment scheme]s and hold it in trust for the unit holders,

(e) act in the interest of the unit holders,

(f) provide or cause to be provide information to unit holders and Board asmay be specified by the Board,

(g) enter into an agreement for managing the [235][collective investment scheme] property with theCollective Investment Management Company for this purpose, and shallenclose the same with the Trust Deed,

(h) supervise the collection of any income due to be paid to the [236][collective investment scheme] andfor claiming any repayment of tax and holding any income received intrust for the holders in accordance with the Trust Deed, Offer documentand regulations,

(i) take reasonable care to ensure that the funds under the [237][collective investment scheme]s floatedby and managed by the Collective Investment Management Companyare in accordance with the Trust Deed, Offer document and regulations,

(j) have to remove the Collective Investment Management Company underthe specific events only with the approval of Board in accordance withthe regulations,

(k) be responsible for the supervision of its activities of the CollectiveInvestment Management Company in relation to the [238][collective investment scheme] and shallalso act as a Custodian of the assets of the [239][collective investment scheme].

3. Obligations of the Company

The Trust Deed shall lay down that Collective Investment Management

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[231]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[232]*ibid.*

[233]*ibid.*

[234]*ibid.*

[235]*ibid.*

[236]*ibid.*

[237]*ibid.*

[238]*ibid.*

[239]*ibid.*

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Company shall:
(a) float [240] [collective investment scheme]s for the [241] [collective investment scheme] after approval by the trustee, and managethe funds mobilised under various [242][collective investment scheme]s, in accordance with theprovisions of the Trust Deed, Offer document and regulations,
(b) not invest the corpus of the [243] [collective investment scheme] in other [244] [collective investment scheme],
(c) not without the approval of the trustee publish or cause to be publishedany advertisement containing any invitation to buy units, or anystatement with respect to the sale price of the units or the returnexpected from the [245][collective investment scheme],
(d) use its best endeavours to carry on and conduct its business in a properand efficient manner and to ensure that the [246][collective investment scheme] to which the deedrelates is carried on and conducted in a proper and efficient manner,
(e) make available to the trustee or to the auditors for inspection all thebooks of the [247][collective investment scheme],
(f) furnish to the trustee or to the auditors such oral or written information asthe trustee or the auditor requires with respect to all matter relating to the[248][collective investment scheme] or otherwise relating to the affairs of the [249][collective investment scheme],
(g) not exercise the right to vote in respect of any units relating to the[250][collective investment scheme] held by the Collective Investment Management Company.

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FIFTH SCHEDULE

SECURITIES AND EXCHANGE BOARD OF INDIA (COLLECTIVE INVESTMENT SCHEME) REGULATIONS, 1999
[Regulation 20(2)]
CONTENTS OF THE AGREEMENT FOR MANAGING SCHEME PROPERTY

The Investment Management Agreement shall contain the following clausesnamely:—

Obligations of the Collective Investment Management Company:

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[240]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[241]*ibid.*
[242]*ibid.*
[243]*ibid.*
[244]*ibid.*
[245]*ibid.*
[246]*ibid.*
[247]*ibid.*
[248]*ibid.*
[249]*ibid.*
[250]*ibid.*

1. The Collective Investment Management Company

(a) shall be responsible for floating [251][collective investment scheme]s after obtaining approval fromthe trustee and managing the funds mobilised under various [252] [collective investment scheme]s, inaccordance with the provisions of the Trust Deed, Offer document andregulations;

(b) shall invest the funds raised under various [253][collective investment scheme]s in accordance withthe provisions of the Trust Deed, Offer document and the regulations;

(c) shall not acquire any assets out of the [254][collective investment scheme] property which involvesthe assumption of any liability which is unlimited or which may result inencumbrance of the [255][collective investment scheme] property in any way;

(d) shall not give or guarantee loans or take up any activity in contraventionof the regulations;

(e) shall ensure that no application form, or sales literature or other printedmatter issued to prospective investors, or advertisement, or report and/orannouncement addressed to the general body of unit holders, or to thepublic, or to the press or other communications media, is issued or published without the trustee's prior approval in writing, and contains anystatement or matter extraneous to the Trust Deed or Offer Document[256][collective investment scheme] particulars approved by the trustee and Board;

(f) shall submit quarterly reports on the functioning of the [257][collective investment scheme]s to thetrustee or at such intervals as may be required by the trustee or Board.

2. The trustee :

(a) shall have the right to obtain from the Collective InvestmentManagement Company all information concerning the operations of thevarious [258][collective investment scheme]s managed by the Collective Investment ManagementCompany at such intervals and in such a manner as required by thetrustee to ensure that the Collective Investment Management Companyis complying with the provisions of the Trust Deed, Offer document andregulations;
(b) shall have the power to remove the Collective Investment ManagementCompany under the specific events only with the approval of Board inaccordance with the regulations.

3. Meeting the losses

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[251]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[252]*ibid.*
[253]*ibid.*
[254]*ibid.*
[255]*ibid.*
[256]*ibid.*
[257]*ibid.*
[258]*ibid.*

No loss or damage or expenses incurred by the Collective InvestmentManagement Company or its officers or any person delegated by theCollective Investment Management Company, shall be met out of the trustproperty.

SIXTH SCHEDULE

SECURITIES AND EXCHANGE BOARD OF INDIA (COLLECTIVE INVESTMENT SCHEME) REGULATIONS, 1999
[Regulation 26(2)]
CONTENTS OF THE OFFER DOCUMENT

Contents

The offer document filed with the Board shall contain, in addition to therequirements specified in the regulations, following information so as toenable the investors to make a true, fair and informed decision on theinvestments in the [259][collective investment scheme], namely:

1. Outer Cover Pages

1.1 Front Outer Cover Page

(i) The front outer cover page of the offer document filed with theBoard shall contain the following details only:—
The name of the [260][collective investment scheme], name and address of the registered officeof the Collective Investment Management Company and trusteealong with their telephone number and fax number.
(ii) The nature, number, price and amount of the units offered.
(iii)The following clause in respect of general risk should beincorporated:
"Investment in units involve a degree of risk and investors shouldnot invest any funds in this offer unless they can afford to take therisk of losing their investment. Investors are advised to read the riskfactors carefully before taking an investment decision in thisoffering. For taking an investment decision, investors must rely ontheir own examination of the [261][collective investment scheme] and the offer including therisks involved. The units have not been recommended or approvedby Securities and Exchange Board of India (SEBI) nor does SEBIguarantee the accuracy or adequacy of this document."
Specific attention of investors shall be invited to the summarized and detailed statement of Risk Factors by indicating their pagenumber(s) in the 'General Risks'.

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[259]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[260]*ibid.*
[261]*ibid.*

(iv) Collective Investment Management Company's AbsoluteResponsibility clause to be incorporated as under:

"The Collective Investment Management Company, having made allreasonable inquiries, accepts responsibility for and confirms that thisoffer document contains all information with regard to the [262][collective investment scheme]and that the information contained in the offer document is true andcorrect in all material aspects and is not misleading in any materialrespect, that the opinions and intentions expressed herein arehonestly held and that there are no other facts, the omission of whichmake this document as a whole or any of such information or theexpression of any such opinions or intentions misleading in anymaterial respect."

(v) The name and address of the Registrar to the issue along with thetelephone number and fax number.

(vi) The name and address of the auditor of the [263][collective investment scheme].

(vii) Opening, Closing and Earliest closing date (if any) for the offer.

(viii) Credit Rating - Name of the Credit Rating Agency, the rating given,the tenure of the rating.

(ix) Name of the Compliance Officer.

(x) Name of the appraising agency - A brief appraisal report.

(xi) The front cover page shall be white. No patterns or pictures shall beprinted on this page.

(xii) The cover page paper shall be of adequate thickness(preferably minimum 100 gcm quality).

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1.2 Front Inside Cover Page

Index shall appear on the Front Inside Cover Page.

1.3 Inner Cover Pages

The other risk factors shall be printed in clear readable font (preferably ofminimum point 10 size) starting on the first inner cover page to be numberedpage i (and, if need be, shall continue on subsequent pages ii, iii, etc. asdistinct from the page number of the offer document proper which would runas 1, 2, 3, etc.) in addition to appearing in the offer document.

1.4 Back cover Pages Back

Inside Cover Page and Back Outside Cover Page shall be in white and blank.

Any 'notes' required to be given prominence shall appear immediately afterthe Risk Factors wherever they appear.

2. Risk Factors

The Collective Investment Management Company shall classify the riskfactors as those which are specific and internal to the [264][collective investment scheme] and thosewhich are external and

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[262]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[263]*ibid.*

beyond the control of the Collective InvestmentManagement Company. Collective Investment Management Company'sperception of the internal and external risk factors shall be given immediatelyafter each of the risk factors and not as a separate heading undermanagement perception.

3. Disclaimer Clause

The offer document shall contain the following disclaimer clause in capitalletters and bold.
It is to be distinctly understood that submission of offer document to SEBIshould not in any way be deemed or construed that the same has beencleared or approved by SEBI. SEBI does not take any responsibility either forthe financial soundness of any [265][collective investment scheme] for which the issue is proposed to bemade or for the correctness of the statements made or opinions expressed inthe offer document. Collective Investment Management Company,..... has certified that the disclosures made in the offerdocument are generally adequate and are in conformity with SEBI (CollectiveInvestment Scheme) Regulations, 1999 in force for the time being. Thisrequirement is to facilitate unit holders to take an informed decision formaking investment in the proposed issue.
It should also be clearly understood that the Collective InvestmentManagement Company is primarily responsible for the correctness, adequacyand disclosure of all relevant information in the offer document.

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WE THE COLLECTIVE INVESTMENT MANAGEMENT COMPANYCONFIRM that:

the offer document forwarded to SEBI is in conformity with the documents,materials and paper relevant to the issue; all the legal requirementsconnected with the said issue, as also the guidelines, instructions, etc. issuedby SEBI, the Government and any other competent authority in this behalfhave been duly complied with; and the disclosures made in the offerdocument are true, fair and adequate to enable the investors to make a wellinformed decision as to the investment in the proposed [266][collective investment scheme].
We confirm that beside ourselves, all the intermediaries named in theprospectus are registered with SEBI and till date such registration is valid.

4. Undertaking from the Collective Investment Management CompanyThe following undertaking by the Collective Investment ManagementCompany shall be incorporated in the offer document:

(i) that the complaints received in respect of the issue of units of the[267][collective investment scheme] would be attended to expeditiously and satisfactorily,

(ii) that the funds required for despatch of refund orders/allotmentletters/certificates by registered post shall be made available to theRegistrar to the Issue by the Collective Investment ManagementCompany,

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[264]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[265]*ibid.*
[266]*ibid.*
[267]*ibid.*

(iii) that the certificates of the units/refund orders to the non-resident Indiansshall be despatched in time,

(iv) that no units shall be issued to the public later than six months after thedate of the offer document i.e. the date when the offer document is filedwith the Board.

5. Fictitious Applications

Any person who makes in a fictitious name an application for acquiring orsubscribing for any units of a [268][collective investment scheme], or otherwise induces the [269][collective investment scheme] toallot, or register any transfer of units therein to him, or to any other person ina fictitious name, shall be punishable under the provisions of the SEBI Act,1992.

6. Minimum Subscription Clause

The Collective Investment Management Company shall state that theminimum subscription of units necessary for the purpose of launching the[270][collective investment scheme]. The minimum subscription clause is to be incorporated in the offerdocument as under:

"If the [271][collective investment scheme] does not receive the above stated minimum subscription ofunits from the public on the date of closure of the issue, then the entiresubscription amount received shall be refunded forthwith."

7. Maximum Subscription Clause

The Collective Investment Management Company shall state the maximumnumber of units that shall be offered through the offer document.

Minimum and Maximum - by Appraising Agency compared.

8. Terms of the present issue

8.1 Terms of payments

8.2 Rights of the investors

8.3 How to apply - availability of forms, offer document and mode of payment

8.4 Any special tax benefits for investing in the [272][collective investment scheme].

9. Appraisal of the Project

Project to be appraised by appraising agency for carrying out appraisal andsalient features of the appraisal report to be detailed. The scope and purposeof the appraisal along with the date of appraisal may be disclosed. The costof the project and means of finance as per the appraisal report should also bedisclosed. The weakness and threats, if any, given in the appraisal report should also be disclosed by way of risk factors.

10. Project relating to the [273][collective investment scheme]

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[268]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[269]*ibid.*

[270]*ibid.*

[271]*ibid.*

[272]*ibid.*

The Collective Investment Management Company shall disclose—
(i) detail particulars as are sufficient to disclose the true nature of the[274][collective investment scheme],
(ii) the nature and description of property and the conditions orcircumstances under which it will become vested with the trustee,
(iii) with respect to the property purchased or acquired or proposed to bepurchased or acquired in relation to the [275][collective investment scheme], the following shall begiven :
- the name and address of the vendor(s)
- the amount of cash or other consideration paid or payable to thevendor or each vendor, as the case may be,
- short particulars of any transaction relating to the property, in whichany vendor of the property or any person who is, or was at the timeof the transaction, having control or controlling interest in or directorof the Collective Investment Management Company or directly orindirectly related to the Collective Investment ManagementCompany
(if the property to be acquired by the trustee is to be taken on leasethen the term "vendor" would construe to mean "lessor", theexpression "purchase money" would include the consideration for the lease)
(iv) the amount or estimated amount of,
(v) the expense of setting up the [276][collective investment scheme], and
(vi) the expense of the issue, and the names of the persons by whom any ofthese expenses have been paid or are payable.

11. Management of the [277][collective investment scheme]
11.1 This section shall describe the manner in which the [278][collective investment scheme] is managed.
The disclosures shall include—

(i) Identification of Collective Investment Management Company and thename of the key personnel of the Collective Investment ManagementCompany who would be responsible for managing the v alongwith his qualifications, experience and background;
(ii) Name and address of the Investor Relations Officer;
(iii)The name and the address of the Collective Investment ManagementCompany and the names and addresses of the Directors on the Board ofthe Collective Investment Management Company with a brief descriptionof the experience of the Collective Investment Management Company;
(iv)disclosure of the date of entering the Investment ManagementAgreement;
(v) Full information regarding the remuneration/compensation of the trusteeand the Collective Investment Management Company respectively, themanner in which

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[273]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[274]*ibid.*
[275]*ibid.*
[276]*ibid.*
[277]*ibid.*
[278]*ibid.*

that remuneration/compensation is provided for, andthe changes (if any) that will be made by way of thatremuneration/compensation upon the sale of or subscription for any unitsof the [279][collective investment scheme] and upon the distribution of income and capital orotherwise in connection with the [280][collective investment scheme].

11.2 The identity of any other person who provides significant administrativeor business management services and a brief description of the servicesprovided and the compensation to be paid therefore.

11.3 The name and principal business address of the Registrars and TransferAgents. A statement to the effect that the trustee and the CollectiveInvestment Management Company have ensured that the Registrar hasadequate capacity to discharge responsibilities with regard to processing of applications and despatching unit certificates to unit holders within the timelimit prescribed in the regulations and also has sufficient capacity to handleinvestor complaints.

11.4 Identification and name and address of the statutory auditor for the[281][collective investment scheme].

12. Constitution of the Collective Investment Scheme

Under this head, the following shall be discussed:

(i) A brief description of the objectives of the [282][collective investment scheme];
(ii) Functions and responsibilities of the constituents of the CollectiveInvestment Scheme viz., Collective Investment Management Companyand trustee;
(iii) Names and addresses of the Directors of the trustee and details of theirprincipal occupations and current directorships;
(iv) Summary of substantial provisions of the Trust Deed which may be ofmaterial interest to the unit holders.

Units and Offer

13. Describe concisely the nature and the most significant attributes of theunits being offered, including:

(i) The minimum and maximum number of units on offer and refund beyondthis amount shall be disclosed.
(ii) The circumstances under which refund may take place and the periodwithin which refunds must be carried out.
(iii) A calendar indicating opening, closing, earliest closing, allotment anddespatch of certificates.
(iv) The period within which allotment and despatch of certificates will becompleted and relevant regulations in this regard alongwith a statementto the effect that an advertisement will be published in a newspapersoon after completion of allotment procedure.

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[279] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[280] *ibid.*

[281] *ibid.*

[282] *ibid.*

(v) Maturity period or duration of the [283][collective investment scheme].

(vi) The circumstances under which the [284][collective investment scheme] shall be wound up (inaccordance with regulations).

(vii) Procedures to be followed for transfer and transmission of units.

(viii) The rights of the unit holders including voting, calling of meetings etc.

(ix) The address where the register of unit holders is or will be kept and thedays on which and the hours during which the register is or will beaccessible to the public.

(x) The amount, if any, paid or payable as commission for subscribing oragreeing to subscribe, or procuring or agreeing to procure subscriptionsfor any units of the [285][collective investment scheme], or the rate of any such commission. Also,the names of persons having control or controlling interest in or directorof the Collective Investment Management Company who are entitled toreceive any such commission and the amount or rate of thatcommission.

(xi) Any amount or benefit paid or given or intended to be paid or given, topersons having control or controlling interest in or director of theCollective Investment Management Company out of the proceeds of anissue of units, and the consideration for the payment or giving of theamount or benefit.

(xii) The policy regarding the valuation of any investment made or propertyheld in relation to the [286][collective investment scheme].

(xiii) The policy regarding distribution of income to the unit holders derivedfrom the [287][collective investment scheme].

14. Outstanding Litigations, Defaults, Dues, etc.

(i) All pending litigations in which the Collective Investment ManagementCompany is involved, defaults to the financial institutions/banks and nonpaymentof statutory dues by the Collective Investment ManagementCompany shall be listed in the offer document together with the amountsinvolved and the present status of such litigations/defaults.

(ii) The above information is required to be furnished in addition to thelitigations against the Collective Investment Management Company oragainst any other entity whose outcome could have a materially adverseeffect on the position of the [288][collective investment scheme].

(iii) The pending proceedings initiated for economic offences against thedirectors of the Collective Investment Management Company, shall bedisclosed separately indicating their present status. The CollectiveInvestment Management Company shall furnish the details of the pastcases in which penalties were imposed by the concerned authorities.

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[283] Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[284] *ibid.*

[285] *ibid.*

[286] *ibid.*

[287] *ibid.*

[288] *ibid.*

(iv) Outstanding litigations, defaults, etc., pertaining to matters likely to affectoperations and finances of the [289][collective investment scheme] including disputed tax liabilitiesetc. shall be furnished in the offer document.

(v) The Collective Investment Management Company shall ensure toappropriately incorporate in the offer document and as risk factor(s)information regarding pending litigations, defaults, non-payment ofstatutory dues and proceedings initiated for economic offences/Civiloffences against the [290][collective investment scheme]s.

(vi) If any of the abovementioned litigations, etc., arise after the filing of theoffer document, the facts shall be incorporated appropriately in the offerdocument (and as risk factors). In case there are no such cases adistinct negative statement is required to be made in this regard in theoffer document.

(vii) An enquiry/adjudication proceedings under the SEBI Act and theregulations made thereunder, that are in progress against the [291][collective investment scheme] orany company associated in any capacity with the Collective InvestmentManagement Company, trustee or any of the Directors or key personnelof the Collective Investment Management Company shall be disclosed.

15. Disclosure on investor grievances and redressal systemThe offer documents should disclose the arrangements or any mechanismevolved by the Collective Investment Management Company for redressal ofinvestor grievances. By way of additional information, the company shoulddisclose the time normally taken by it for disposal of various types of investorgrievances. Also describe briefly the investor's complaints history for the lastthree fiscal years of existing [292][collective investment scheme] and the redressal mechanism, thereof.The offer document should include data updated 30 days prior to the launchof the [293][collective investment scheme] on the number of complaints received, redressed and pendingwith the collective investment scheme.

16. Disclosures about stockinvests

The disclosures regarding manner of obtaining Stockinvests, and disposal ofapplications accompanied by Stockinvest, Mode of drawing stockinvests,utilisation of stockinvests by third party, time period for utilisation ofstockinvests by the purchasers should be incorporated at the appropriateplaces in the offer document in line with the prevailing instructions of RBI inthis regard. Further, name of the bank through which the stockinvests shall berealised, shall be given in the offer document. Also the following paragraphshall appear at the appropriate places :"Registrars to the Issue have been authorised by the trustee to sign on behalfof the trustee to realise the proceeds of the Stockinvest from the issuing bankor to affix non-allotment advice on the instrument or cancel the stockinvest ofthe non-allottees or partially successful allottees who have enclosed morethan one stockinvest. Such cancelled Stockinvest shall be sent back by theRegistrars directly to the Investors."

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[289]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[290]*ibid.*

[291]*ibid.*

[292]*ibid.*

[293]*ibid.*

Stockinvests should be marked account payee and inscribed with the words -
Collective Investment Scheme - A/c [294][collective investment scheme].

17. Despatch of Refund Orders
The following clause should be incorporated in the offer document:
"The trustee shall ensure despatch of refund orders of value over Rs. 1,500and unit certificates by Registered Post only and adequate funds for thepurpose will be made available to the Registrars."

18. Interest in case of delay in despatch of allotment letters/refund ordersThe caption should appear under terms of the present issue and shouldcontain the following:
"The trustee agrees that as far as possible allotment of units offered to thepublic shall be made within 30 days of the closure of the issue. The trusteefurther agrees that it shall pay interest @15% per annum if the allotmentletters/refund orders have not been despatched to the applicants within 30days from the date of the closure of the issue."

19. Appointment of Compliance Officer
The name of Compliance Officer appointed should be mentioned in the offerdocument with details such as telephone number, fax number and address onwhich he/she would be available. The investor's attention should also beinvited to contact the Compliance Officer in case of any pre-issue/post-issuerelated problems.

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20. Promise vis-à-vis performance
A separate para entitled "Promise v. Performance - All earlier [295] [collective investment scheme]s" shallbe given indicating whether all the objects mentioned in the respective offerdocuments relating to the earlier [296] [collective investment scheme]s launched by the CollectiveInvestment Management Company were met and whether all projectionsmade in the said offer documents were achieved. If not, non-achievement ofobjects/projections shall be brought out distinctly (shortfall/delay to bequantified).

21. Utilisation of stockinvest by third parties
SI should be utilised by the purchaser(s) and the purchaser's name/name ofone of the purchasers should be invariably indicated as the first applicant inthe share application form. Thus, if the signature of the purchaser on thestockinvest and the signature of the first applicant on the application formdoes not tally, the application should be treated as having been accompaniedby a third party stockinvest.

22. Utilisation of stockinvest within 10 days
Stockinvests are to be used by the purchaser(s) within 10 days of issue andfor the purpose. The last day for use of the SI for submitting application to thebank is indicated on the face of the SI with a notation "To be used before.....".

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[294]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[295]*ibid.*
[296]*ibid.*

23. Due Diligence Certificate

(i) The Collective Investment Management Company, while filing the draftoffer document with the Board, shall furnish a due diligence certificate.

(ii) The Collective Investment Management Company shall also:—

a) certify that all amendments suggested/observations made by Boardhave been given effect to in the offer document;

b) furnish a fresh certificate immediately before the opening of theissue that no corrective action on its part is needed;

c) furnish a fresh certificate after the issue has opened but before itcloses for subscription.

24. The Collective Investment Management Company shall submit with theoffer document the following certificates:

i. all refund orders of the previous issues were despatched within theprescribed time and in the prescribed manner;

ii. all unit certificates were despatched to the allottees within the prescribedtime and in the prescribed manner; and

IndiaCode

25. Appointment of other intermediaries

(i) Collective Investment Management Company should ensure that theintermediaries being appointed are registered with the Board, whereverrequired. The Collective Investment Management Company shallindependently assess the capability and the capacity of the variousintermediaries to handle the issue.

(ii) Collective Investment Management Company should ensure thatBankers to the Issue are appointed in all the mandatory collectioncentres.

(iii) Collective Investment Management Company shall ensure thatRegistrars to Issue registered with the Board are appointed.

(iv) Registrar to an issue who is associated with the Collective InvestmentManagement Company as a promoter or a director shall not be allowedto act as Registrar for that issue.

26. Offer document to be made public

The draft offer document filed with the Board shall be made public for aperiod of 21 days from the date of filing the offer document with the Board.

The Collective Investment Management Company shall make copies of offerdocument available to the public. Collective Investment ManagementCompany can charge an appropriate sum to the person requesting for thecopy.

27. Despatch of Issue Material

The Collective Investment Management Company shall ensure that offerdocument and other issue materials are dispatched to the bankers to theissue, investors association etc. in advance.

28. No Complaints Certificate

After a period of 21 days from the date the draft offer document was madepublic, the Collective Investment Management Company shall file a statementwith SEBI:

(i) giving a list of complaints received by it,

(ii) a statement by it whether it is proposed to amend the draft offerdocument or not, and

(iii)highlight those amendments.

29. Mandatory Collection Centres

There should be at least 30 mandatory collection centres which shouldinvariably include the places where stock exchanges have been established.

30. Authorised Collection agents

(i) The Collective Investment Management Company's are also permitted toappoint authorised collection agents subject to necessary disclosuresincluding the names and addresses of such agents being mentioned inthe offer document. While the modalities of selection and appointment ofcollection agents are left to the discretion of the Collective InvestmentManagement Company's, it should be ensured that the agents soselected are properly equipped for the purpose, both in terms ofinfrastructure and manpower requirements.

(ii) The collection agents should be permitted to collect such applications asare accompanied by payment of application moneys paid by cheques,drafts and stockinvests. Under no circumstances they should bepermitted to collect application moneys in cash.

(iii)The applications so collected shall be deposited in the special unitapplication account with designated scheduled bank either on the samedate or latest by the next working day. The application forms along withduly reconciled schedules should be forwarded to the Registrars to theIssue after realisation of cheques and after weeding out the applicationsin respect of cheques return cases, within a period of 2 weeks from thedate of closure of the issue.

(iv)The applications accompanied by stockinvests should be sent directly tothe Registrars to the Issue along with the schedules within one weekfrom the date of closure of the issue. Further, the offer documents andapplication forms should specifically indicate that the acknowledgementof receipt of application moneys given by the collection agents shall bevalid and binding on the Collective Investment Management Companyand other persons connected with the issue.

(v) The investors from the places other than from the places where themandatory collection centres and authorised collection agents arelocated, can forward their applications along with stockinvests to theRegistrars to the Issue directly by Registered Post withAcknowledgement Due and such applications shall be dealt with by theRegistrars to the Issue in the normal course.

31. Post issue Monitoring reports

(a) Collective Investment Management Company shall ensure thesubmission of the post issue monitoring reports irrespective of the level ofsubscription. These reports are required to be submitted within 3 workingdays from the due dates.

(b) 3-day post issue monitoring report

The due date for this report shall be the 3rd day from the date of closure ofsubscription of the issue.

(c) 98-day post issue monitoring report

The due date for this report shall be the 98th day from the date of closure ofsubscription of the issue.

Bankers to an issue

32. The trustee shall ensure that moneys received pursuant to the issue shallbe utilised only after the minimum subscription as mentioned in the offerdocument has been received and a statement to that effect has been givenby the Registrars to the Issue.

33. Post-issue advertisements

33.1 Collective Investment Management Company shall ensure that in allissues, advertisement giving details relating to oversubscription, basis ofallotment, number, value and percentage of applications received along withstockinvest, number, value and percentage of successful allottees who haveapplied through stockinvest, date of completion of despatch of refund orders,date of despatch of certificates is released within 10 days from the date ofcompletion of the various activities in at least two national dailies.

33.2 Collective Investment Management Company shall ensure thatadvisors/brokers or any other agencies connected with the issue do notpublish any advertisement stating that issue has been oversubscribed orindicating investors' response to the issue, during the period when the publicissue is still open for subscription by the public.

33.3 Advertisement stating that the subscription list has been closed may beissued after the actual closure of the issue.

34. Other responsibilities

34.1 In case of delay in refund of subscription moneys/excess subscription,the Collective Investment Management Company shall ensure that theinterest for the delayed period as mentioned in the offer document, is paid tothe applicants.

34.2 The Collective Investment Management Company shall ensure that thedespatch of refund orders/allotment letters/share certificates is done by wayof registered post/certificate of posting as may be applicable.

35. Certificate Regarding Realisation of Stockinvests

(i) The Collective Investment Management Company shall submit withintwo weeks from the date of allotment, a Certificate to the trusteecertifying that the stockinvests on the basis of which allotment wasfinalised, have been realised.

(ii) Subscription list for the [297][collective investment scheme] shall be kept open for not more than 90working days and this fact should be disclosed in the offer document.

Retention of Oversubscription

[297]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

36. The quantum of issue shall not exceed the amount specified in the offerdocument. However, an oversubscription to the extent of 10% of the amountmentioned is permissible for the purpose of rounding off to the nearer multipleof 100 while finalising the allotment.

37. Updation of Offer Document

(i) The Collective Investment Management Company should ensure thatthe particulars (audited statement) contained therein should not be morethan 6 months old from issue opening date.

(ii) Restrictions, if any, on transfer and transmission of units.

(iii) Tax treatment of Investments in vs. A detailed write-up on thevarious tax benefits that are available and the taxes that are charged tothe unit holders in the [298][collective investment scheme]s.

38. Basis of Allotment

In each and every issue of units to the public that has been oversubscribed,the Collective Investment Management Company and the Registrar to anIssue, shall ensure that allotments are made in the following manner :

(a) Proportionate allotment procedure:

The allotment shall be subject to allotment in marketable lots, on aproportionate basis as explained below:

(i) Applicants will be categorised according to the number of unitsapplied for.

(ii) The total number of units to be allotted to each category as a wholeshall be arrived at on a proportionate basis i.e., the total number ofunits applied for in that category (number of applicants in thecategory × number of units applied for) multiplied by the inverse ofthe oversubscription ratio as illustrated below :

Total number of applicants in category of 100s - 1,500
Total number of units applied for - 1,50,000
Number of times oversubscribed - 3
Proportionate allotment to category - 1,50,000 × 1/3
= 50,000

Number of the units to be allotted to the successful allottees will bearrived at on a proportionate basis i.e., total number of units appliedfor by each applicant in that category multiplied by the inverse of theoversubscription ratio.

Number of units applied for by – 100each applicant
Number of times oversubscribed - 3
Proportionate allotment to eachsuccessful applicant - 100 × 1/3 = 33
(to be rounded off to 100)

(iii) All the applications where the proportionate allotment works out to less than 100 units per applicant, the allotment shall be made as follows:

*Each successful applicant shall be allotted a minimum of 100 units;and

[298]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

(iv) *The successful applicants out of the total applicants for thatcategory shall be determined by drawal of lots in such a manner thatthe total number of units allotted in that category is equal to thenumber of units worked out as per (ii) above.
(v) If the proportionate allotment to an applicant works out to a numberthat is more than 100 but is not a multiple of 100 (which is themarketable lot), the number in excess of the multiple of 100 wouldbe rounded off to the higher multiple of 100 if that number is 50 orhigher. If that number is lower than 50, it would be rounded off to thelower multiple of 100. (As an illustration, if the proportionateallotment works out to 250, the applicant would be allotted 300units. If however the proportionate allotment works out to 240, theapplicant would be allotted 200 units). All applicants in suchcategories would be allotted units arrived at after such rounding off.
(vi) If the units allocated on a proportionate basis to any category ismore than the units allotted to the applicants in that category, thebalance available units for allotment shall be first adjusted againstthe category comprising applicants applying in number of units andthereafter the remaining, if any surplus still remains, should beadjusted to next higher category and so on till the surplus is fullyused.
(vii) As the process of rounding off to the nearer multiple of 100 mayresult in the actual allocation being higher than the units offered, itwould be necessary to allow a 10% margin i.e., the final allotmentmay be higher upto 110% of the size of the offering.

IndiaCode

39. The Date of the Offer Document
The date of the offer document shall be reckoned to be the date when theoffer document was filed with the Board.

40. Trust Deed
(a) The offer date shall mention the date of, and parties to, the trust deedrelating to the collective investment scheme.
(b) The summary of the provisions of the trust deed and the regulationregarding the retirement, removal and replacement of trustee andCollective Investment Management Company.

41. [299][Collective investment scheme]s and investments
All offer documents shall contain :

a) All offer documents shall contain the name and description and the dateof commencement of operation of every other [300][collective investment scheme] involving theissue of units to the public conducted by the Collective InvestmentManagement Company within the 5 years immediately preceding thedate of the offer document.
b) A report by the Collective Investment Management Companysummarising the current investment relating to the [301][collective investment scheme] made up to adate not more than 28 days before the date of the offer document.

[299]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[300]*ibid.*
[301]*ibid.*

c) A report by the auditor of the [302][collective investment scheme], in respect of every issue of unitsrelating to any other [303] [collective investment scheme], launched by the Collective InvestmentManagement Company, within the five financial years immediatelypreceding the date of the offer document, setting out such information assufficiently discloses the number of distribution (if any) of income toholders to units relating to a Collective Investment Scheme in each of the5 financial years immediately preceding the date of the offer documentduring which those units had been in existence, the amount and eachdistribution and the nature and value of each of the components of thedistribution.

d) A report by the auditors of the [304][collective investment scheme], setting out the profits or losses ofthe Collective Investment Management Company in respect of each ofthe 5 financial years immediately preceding the date of the offerdocument during which the Collective Investment ManagementCompany was carrying on business, and the rates of dividends (if any)paid by the company in respect of each of those years, and the assetsand liabilities of the Collective Investment Management Company as atthe last date on which its accounts were made up being a date no morethan 12 months before the date of issue of the offer document.

LawCode

SEVENTH SCHEDULE
SECURITIES AND EXCHANGE BOARD OF INDIA (COLLECTIVE INVESTMENT SCHEME) REGULATIONS, 1999
[Regulation 27(1)]
ADVERTISEMENT CODE

(1) A [305][collective investment scheme] advertisement shall:

a. be truthful, fair and clear and shall not contain any statement which isuntrue or misleading,
b. be set forth in a clear, concise and understandable language. Extensiveuse of technical, legal terminology or complex language and theinclusion of excessive details which may detract the investor, shall beavoided,
c. not contain statements which promise or guarantee an appreciation ofrapid profits,
d. not contain any information or language that is not contained in the offerdocument,
e. not include any slogans or brand names except the normal commercialname of the [306][collective investment scheme]s,
f. not have slogans, expletives or non-factual and unsubstantiated titles,

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[302]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[303]*ibid.*
[304]*ibid.*
[305]*ibid.*
[306]*ibid.*

g. contain risk factors giving equal importance in all respects including theprint size. The print size of highlights and risk factors in issueadvertisements shall not be less than point 9 size. It shall mention thenames of [307][collective investment scheme]s, Collective Investment Management Company,trustee, address of their registered office and Registrars to the Issue,

h. contain "Risk Factors" in respect of the concerned issue :
Provided that an offer opening/closing advertisement which does notcontain the highlights need not contain risk factors.

(2) A [308][collective investment scheme] advertisement shall be considered to be misleading, if itcontains—

i. statements made about the performance or activities of the [309] [collective investment scheme]s inthe absence of necessary explanatory or qualifying statements, whichmay give an exaggerated picture of the performance or activities, thanwhat it really is.

ii. an inaccurate portrayal of past performance or its portrayal in a mannerwhich implies that past gains or income will be repeated in the future.

(3) Any advertisement reproducing or purporting to reproduce any informationcontained in an offer document shall reproduce such information in full anddisclose all relevant facts and not be restricted to select extracts relating tothat item.

(4) No models, celebrities, fictional characters, landmarks or caricatures orthe likes shall be displayed on or form part of the offer documents oradvertisements of the [310] [collective investment scheme].

(5) No corporate advertisement of the Collective Investment ManagementCompany shall be issued after 21 days of the filing of the offer document withthe Board till the closure of the [311][collective investment scheme] unless the risk factors as are requiredto be mentioned in the offer document, are mentioned in such advertisement.

(6) No advertisement shall be issued stating that the [312][collective investment scheme] has been fullysubscribed or oversubscribed during the period the [313][collective investment scheme] is open forsubscription, except to the effect that the issue is open or closed. Noannouncement regarding closure of the issue shall be made except on thelast closing date. If the [314][collective investment scheme] is fully subscribed before the last closing dateas stated in the offer document, the

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[307]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[308]*ibid.*

[309]*ibid.*

[310]*ibid.*

[311]*ibid.*

[312]*ibid.*

[313]*ibid.*

[314]*ibid.*

announcement shall be made only afterthe [315][collective investment scheme] is fully subscribed and such announcement is made on the dateon which the issue is to be closed.

(7) Announcement regarding closure of [316][collective investment scheme] shall be made only after thetrustee is satisfied that at least minimum number of units have beensubscribed and a certificate has been obtained to that effect from theRegistrar to the Issue.

(8) No incentives shall be offered through any advertisements to any oneassociated with marketing the issue.

(9) In case there is a reservation for the Non-resident Indians, the [317][collective investment scheme]advertisement shall specify the same and indicate the place in India fromwhere the individual NRI applicant can procure application forms.

(10) The advertisement shall not compare one [318][collective investment scheme] with another, implicitlyor explicitly, unless the comparison is fair and all information relevant to thecomparison is included in the advertisement.

(11) If any existing collective investment scheme indicates the pastperformance of the [319] [collective investment scheme] in advertisements, the basis for computing therates of return/yield and adjustments made (if any) must be expresslyindicated with a statement that, such information is not necessarily indicative
of future results and may not necessarily provide a basis for comparison withother investments.

(12) Advertisements on the performance of a [320] [collective investment scheme] or its CollectiveInvestment Management Company shall compare the past performances onlyon the basis of per unit of statistics as per these regulations. Advertisementsfor NAVs, if any, must indicate the past as well as the latest NAV of a[321][collective investment scheme]. The yield calculations shall be made as provided in theseregulations.

(13) The trustee shall:

(i) ensure strict compliance by the Collective Investment ManagementCompany set with the code of advertisement set out above,(ii) obtain an undertaking from the Collective Investment ManagementCompany to the effect that the Collective Investment ManagementCompany shall not directly or indirectly release, during any conference orat any other time, any material or information which is not contained inthe offer documents,

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[315]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[316]*ibid.*
[317]*ibid.*
[318]*ibid.*
[319]*ibid.*
[320]*ibid..*
[321]*ibid.*

(ii) ensure that the Collective Investment Management Company obtainsapproval in respect of all [322][collective investment scheme] advertisements and publicity materialsfrom them.

EIGHTH SCHEDULE
SECURITIES AND EXCHANGE BOARD OF INDIA (COLLECTIVE INVESTMENT SCHEME) REGULATIONS, 1999
[Regulation 51]

PROCEDURE FOR CONDUCT OF MEETINGS

MEETINGS

Procedure relating to conduct of meeting are as follows:

The trustee or unit holders holding one-tenth in nominal value of the unitcapital of the [323][collective investment scheme] may call a meeting of the unit holders in the manner asset out below:

(i) Within 21 days of the receipt of the notice from the unit holders, thetrustee shall call a meeting of the unit holders by causing to send anotice by post of the proposed meeting at least 7 days before theproposed meeting to each of the unit holders or, in the case of jointholders, to the joint holder whose name appears first in the records.

(ii) The trustee shall preside as chairman at every meeting.

(iii) Any unit holder may appoint another person as his proxy to attend andvote instead of himself.

(iv) Proxy so appointed shall not have any right to speak at the meeting.

(v) Each unit holder shall have one vote for every 1.00 unit of capitalcontributed by him (or his predecessor in title). Except where expresslyprovided to the contrary in the deed or the regulations, all decisionsrelating to the [324][collective investment scheme] shall be by ordinary resolution. Equality of votingshall result in the resolution being deemed lost. The Chairman shall havea casting vote. An extraordinary resolution shall be carried if threequartersof the votes are in favour of the resolution.

(vi) No business shall be transacted at a meeting without a quorum. Quorumshall be met if unit holders (including proxies) holding at least one-tenthsin nominal value of the unit capital of the [325] [collective investment scheme] are present at themeeting.

(vii) The Collective Investment Management Company shall keep a minutebook in which the Minutes and Resolutions of each meeting shall berecorded.

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[322]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[323]*ibid.*

[324]*ibid.*

[325]*ibid.*

(viii) At any meeting a resolution put to the vote of the meeting shall bedecided on a show of hands unless a poll is demanded by the Chairmanor by any unit holder present in person.

(ix) Entry of a resolution in the Minute Book shall be conclusive evidence ofthe number of votes recorded in favour of or against the resolution.

(x) A resolution of the unit holders shall be invalid if it constitutes a fraud onthose unit holders who oppose the resolution.

NINTH SCHEDULE
SECURITIES AND EXCHANGE BOARD OF INDIA (COLLECTIVE INVESTMENT SCHEME) REGULATIONS, 1999
[Regulations 21(13), 43(1), 44(4)(iii), 71(1)(e)]
ACCOUNTING NORMS, INVESTMENTS AND EXPENSE CEILING

PART I -CEILING ON EXPENSES

IndiaCode

The expenses incurred shall be subject to a ceiling as specified below :

(1) Initial Issue Expenses

(a) These may include:

- cost of offer documents and related costs;
- marketing and selling expenses including agents' commission, ifany;
- fees to Lead Managers, if any, Registrars and collecting banks;
- initial rating and appraisal fees.

(b) These expenses shall be borne by the [326][collective investment scheme].

(c) These expenses shall not exceed

(i) 7.00 per cent of the funds raised under the [327][collective investment scheme] for a [328][collective investment scheme] ofduration upto 8 years and

(ii) 9.00 per cent of the funds raised under the [329][collective investment scheme] for a [330][collective investment scheme]having a duration of more than 8 years.

(d) These expenses shall be amortized equally over a period not exceedingseven years or the period of the [331][collective investment scheme], whichever is less.

(2) Management and Advisory Fees to CIMC

(a) Such fees may consist of:

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[326]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[327]*ibid.*

[328]*ibid.*

[329]*ibid.*

[330]*ibid.*

[331]*ibid.*

• Basic Fee
• Incentive Fee

(b) The 'basic fee' shall not exceed:

(i) 1.00 per cent each year of the funds raised under the [332][collective investment scheme] forthe first five years of operation of the [333][collective investment scheme];

(ii) 1.25 per cent each year of the funds raised under the [334][collective investment scheme] forthe next five years of operation of the [335][collective investment scheme];

(iii) 1.50 per cent each year of the funds raised under the [336][collective investment scheme] forthe subsequent period thereof till the termination of the [337] [collective investment scheme].

Incentive fees

The incentive fees shall not exceed 25 per cent of the excess return realized over and above the indicative return as shown in the offer document(excluding the unit capital) at the time of the termination of the [338][collective investment scheme]. Incase the return at the termination of the [339][collective investment scheme] is less than or equal to theindicative return as shown in the offer document, then no incentive fees shall
be paid.

(3) Other Expenses

Only the following expenses should be borne by the [340][collective investment scheme]namely :

• registrar services for transfer of units sold or redeemed;
• fees and expenses of trustees;
• audit fees;
• subsequent rating and appraisal fees;
• listing fees;
• other direct costs (if any) which are incidental to the operation of the[341][collective investment scheme], as may be approved by trustee;

(4) All other expenses shall be borne by the CIMC.

PART II - ACCOUNTING NORMS

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[332]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[333]*ibid.*
[334]*ibid.*
[335]*ibid.*
[336]*ibid.*
[337]*ibid.*
[338]*ibid.*.
[339]*ibid.*
[340]*ibid.*
[341]*ibid.*

Plantation [342][collective investment scheme]

1. Accounting norms for plantation [343][collective investment scheme]

2. Unit Capital

2.1 All amounts received from an investor, by whatever name called, duringthe period the [344][collective investment scheme] is open for subscription shall be treated as towards thesale of units of the [345][collective investment scheme] and shall be accounted as Unit Capital.

2.2 Unit capital will be disclosed in the Balance Sheet of the [346][collective investment scheme] underthe head "Sources of Funds" (in the same manner as Share Capital in thecase of a limited company). No portion of Unit capital shall be apportioned torevenue or to any other account under any circumstances.

3. Costs Relating to Land

3.1 Land Acquired with Ownership Rights should be accounted as a FixedAsset in accordance with Accounting Standard 10 ('AS-10') on "Accountingfor Fixed Assets" issued by ICAI. In respect of land with ownership rights, thecost of the land should be amortised over the [347][collective investment scheme]period by way of asuitable charge to 'Crop Development Expenses'.

IndiaCode

3.2 Land acquired under lease may either be against:

- Payment of (non-refundable) premium; or
- Payment of monthly or periodic lease rentals

Land acquired against payment of non-refundable premium should beaccounted as a Fixed Asset and separately disclosed in the Fixed Assetsschedule. Such premium paid for leasehold land should be capitalised as costof land and amortized over the lease period or the period of the sc[348][collective investment scheme],whichever is less.

In respect of land acquired against the payment of periodic lease rentals,such amounts shall be charged to the profit and loss account. The followingdisclosures are required in the financial statements:

- Period of Lease
- Owner of land

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[342]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014

[343]*ibid.*

[344]*ibid.*

[345]*ibid.*

[346]*ibid.*

[347]*ibid.*

[348]*ibid.*

• Relationship of owner with trustees and directors of CIMC
• If lease period is shorter than tenure of the [349][collective investment scheme], the period of leaseand conditions for future renewals of lease.

3.3 Land Development Expenses
These include expenses on :
• New access roads and fencing
• Major changes in land contours
• Levelling, uprooting and terracing
• Regular upkeep and maintenance of land
Expenses of a capital nature should be added to the cost of land.
In case of leasehold land, these expenses should be written off over theperiod of the lease or the period of [350][collective investment scheme], whichever is less.
Expenses of a revenue nature should be charged to the Profit and LossAccount in the year in which they are incurred.

3.4 Infrastructure and other facilities shall include :
• Roads and Fencing
• Security and Research and Development Buildings
• Drip Irrigation systems, water systems
• Agriculture Equipments and Production facilities
These should be accounted as Fixed Assets in accordance with AS-10 on"Accounting for Fixed Assets" issued by ICAI.

IndiaCode

3.5 IAS 36 requires that impairment losses in respect of assets should berecognised. Impairment arises whenever an asset's carrying amount exceedsits recoverable amount. All impairment losses should be provided for.

3.6 In case such assets are taken on lease, then the amounts spent shouldbe accounted on the same basis as mentioned in Paragraph 3.2 and thedisclosure requirements mentioned therein will also apply.

4. Fixed Assets (other than land and related infrastructure facilities)

4.1 Such Fixed Assets should be accounted in accordance with AS-10 on"Accounting for Fixed Assets" issued by ICAI – Basically that the cost of afixed asset comprises its purchase price and any attributable cost of bringingthe asset to its working condition for its intended use.

4.2 These assets should be depreciated as per Schedule XIV to theCompanies Act, 1956.

4.3 Capital Subsidies received should be accounted as per AccountingStandard ('AS') – 12 on "Accounting for Government Grants" issued by ICAI –Basically that the recognition of a grant

[349]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[350]*ibid.*

should depend on assurance of thecompliance of conditions and certainty of receipts and grants relating tospecific fixed assets should be deducted from the gross value of assets inarriving at their book value.

4.4 As required by IAS 36, impairment losses in respect of assets should berecognised. Impairment arises whenever an asset's carrying amount exceedsits recoverable amount.

4.5 In case such assets are taken on lease, then the amounts spent shouldbe accounted on the same basis as mentioned in Paragraph 3.2 and thedisclosure requirements mentioned therein will also apply.

5. Crop Development Expenses

5.1 There are generally expenses incurred for development and upkeep ofcrop. This includes expenses on:

- Soil Manuring.
- Sapling and crop Plantation.
- Regular maintenance and upkeep of crop.
- Lease rentals paid for land and for any other assets directly attributableto crop development.
- Amount proportionately amortised over the [351][collective investment scheme] period relating tocost of land.
- Depreciation and maintenance of fixed assets directly attributable to cropdevelopment.
- Other expenses directly attributable to crop development.

These expenses should be accounted as "Crop Development Expenses".They should be disclosed as a separate item appearing between "FixedAssets" and "Current Assets" in the Balance Sheet.

5.2 The total of Crop development expenses at the end of the year should becompared with Net Realisable Value ('NRV'). NRV would generally mean theamount that would be realised in the normal course, in case the standingcrops are disposed of on that day. NRV can be determined on the basis ofestimated selling price in the ordinary course of business less estimated costto be incurred in future for bringing the crop to maturity, and the costnecessarily to be incurred to make the sale. In case the NRV is lower than thetotal of the crop development expenses at the year end, then a suitableprovision for the difference between these two figures should be made anddisclosed as follows :

Crop Development Expenses (At Cost) X
Less : Provision for diminution in value Y

X-Y

5.3 The crop development expenses and the provision for diminution will becarried forward to the next year at gross values. A similar exercise would bedone at the end of each year. In case the NRV at the end of the second orsubsequent year is greater than/or equal to cost in the

[351]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

respective year, then itwill be possible to recoup the provision account by transferring it to the creditof Profit and Loss Account only to the extent such a provision was made inthe past. The basic principle of valuation at lower of Cost or NRV, would stillhold good every year. In case the crop is at such a stage that it is not possibleto determine NRV, these expenses should be valued At Cost and a suitabledisclosure to that effect should be made in the financial statements. Theseexpenses will be set off against income arising from the sale of crops, eitherin stages or at the terminal point.

5.4 Considering the peculiar nature of this expenditure and the longproduction cycle, "Crop Development Expenses" should be separatelydisclosed between "Fixed Assets and Current Assets" as discussed inParagraph 5.1 above.

6. Investments

6.1 All investments should be carried at lower of cost and fair valuedetermined either on an individual investment basis or by category ofinvestment, but not on an overall (or global) basis.

6.2 In respect of quoted investments, market value generally provides thebest evidence of fair value.

6.3 Unquoted investments in debt instruments should be valued on a yield tomaturity basis, the capitalisation factor being determined for comparabletraded investments and with an appropriate discount for lower liquidity.

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7. Inventory Valuation

Inventories other than Crop Development Expenses should be valued as perthe basic principles laid down by AS 2 on Inventory Valuation – Inventoryshould be valued at the lower of cost and net realisable value and theAccounting Policy for valuation should be disclosed in the financial statements.

8. Revenue Recognition

8.1 Revenue should be recognized as per Accounting Standard ('AS') – 9 on"Revenue Recognition" issued by Institute of Chartered Accountants of India,to the extent it is applicable – Revenue should be recognised only if there is areasonable certainty of collectibility or measurability.

8.2 Income would generally arise from the following sources:

- •Sale of Crops - the sale proceeds of crops arising at periodicalintervals should be accounted during the year in which the sale hasbeen effected. The cost allocable to such sale proceeds should be setoff against the crop development expenses account and the surplus, ifany, should be transferred to Profit and Loss account.
- • Sale of Residuals and Scraps - the sales proceeds shall be accountedas income in the year of sale and credited to Profit and Loss account.

• Income from Investments - income arising out of investments ofsurplus bank balances, etc. shall be accounted on a time proportionbasis taking into account the amount outstanding and the rateapplicable.

• Dividend from Investments - dividends, if any, will be recognized whenthe right to receive payment is established.

• Sale of Standing Crops at terminal point - sale proceeds/transfer valueof the standing crops at the terminal point shall be accounted as andwhen they are disposed off/transferred. The profit arising on suchtransactions over the book value shall be accounted at the point ofsale/disposal; this should be set off against the crop developmentexpenses.

9. Expenses

9.1 Expenses other than Crop Development Expenses can be broadlyclassified as under:

• Initial Marketing and Launch Expenses

• Normal Business Expenses

9.2 Initial issue expenses

Initial issue expenses may be treated as deferred revenue expenses to bewritten off over eight years or duration of the [352][collective investment scheme] whichever is earlier.

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9.3 Normal Business Expenses would include:

• Registrar services for transferor of units sold or redeemed

• CIMC and trustee Fees

• Depreciation

• Audit Fees

• Subsequent Rating and Appraisal Fees

• Listing Fees

• Other costs, (if any), which are incidental for the operation of the [353] [collective investment scheme], as may be approved by trustees.

These expenses shall be treated as an expense of the year in which they areincurred and written off to the Profit and Loss Account.

10. Returns to Investors

10.1 Interim Returns to investors in respect of CIS can be paid only out of thedistributable surplus of the CIS. Interim Returns can be paid only in cash andnot in kind.

10.2 "Distributable surplus" means the profits of the CIS after:

• Providing for all expenses on accrual basis including depreciation asdiscussed in paragraph 4.2 above

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[352]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[353]*ibid.*

• Providing for diminution in value of crop development expenses asdiscussed in paragraph 5.2 above
• Fully setting off the debit balance in Profit and Loss account, if any
• Transferring 50% of the remaining balance to a separate reservecalled "Special Reserve"

10.3 The amount of interim returns distributed to investors should not exceedthe distributable surplus.

10.4 The balance in the Special Reserve cannot be utilised for any purposeexcept for distribution to unit holders at the termination of the [354][collective investment scheme].

10.5 At the end of the tenure of the [355][collective investment scheme], the surplus of the [356][collective investment scheme], ifany, shall be calculated on the basis of realisable value of all the assets,including land, of the [357] [collective investment scheme]. The surplus of the [358][collective investment scheme] distributed in cashshall be in proportion to unit capital.

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ACCOUNTING NORMS: LIVESTOCK [359] [COLLECTIVE INVESTMENT SCHEME]

1. Costs relating to owned land

1.1 Land acquired with ownership rights should be accounted as a Fixedasset in accordance with Accounting Standard 10 (AS-10) on "Accounting forFixed Assets" issued by ICAI.

1.2 Cost of such land should not be amortised over the [360][collective investment scheme] period (referparagraph 2.3 above).

2. Livestock development expenses

2.1 There are generally expenses incurred on rearing and development oflivestock including maintenance and upkeep. This includes expenses on:
• Cost of base stock.
• Food costs.
• Medicines and other maintenance.
• Cost of artificial insemination.

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[354]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.
[355]*ibid.*
[356]*ibid.*
[357]*ibid.*
[358]*ibid.*
[359]*ibid.*
[360]*ibid.*

• Lease rentals paid for land and for any other assets directlyattributable to livestock development.
• Depreciation and maintenance of fixed assets directly attributable tolivestock development.
• Any other expenses directly attributable to livestock development.

These expenses should be accounted as "Livestock Development Expenses".They should be disclosed as a separate item appearing between "FixedAssets" and "Current Assets" in the balance sheet. (Reference is invited toParagraph 5.1).

2.2 Valuation of livestock development expenses and provision for diminutionin value would be in the same manner as in respect of crop developmentexpenses which is discussed in Paragraphs 5.2 and 5.3.

3. Livestock Trading

3.1 Separate quantitative information should be maintained in respect oflivestock that is procured for resale without being used inrearing/development activity. An annual trading account should be preparedin respect of Livestock traded during the year (which shall be exclusive ofLivestock under rearing/development).

3.2 A suitable annual charge should be made in respect of cost ofmaintenance etc. of the livestock which remained for trading purpose only.
The cost of maintenance etc. to be charged to the livestock trading accountshall be calculated on the basis of quantitative proportion of livestock heldunder rearing/development and for trading.

4. Valuation of by-products

4.1 Inventory of by-products at the year end (*i.e.*, manure in case of Goat,eggs in case of Poultry etc.) should be carried at "lower of cost or marketvalue".

4.2 Cost of by product shall be calculated on the basis of specific costincurred on the by-product after the point of separation to make it marketable.

PART III -FORMAT OF FINANCIAL STATEMENTS

Basic Framework relating to Financial Statements

1. Scheme wise financial statements

1.1 Broadly, financial statements would consist of
• Balance sheet
• Revenue account

1.2 These should be prepared schemewise

2. Contents of scheme wise Balance sheet

2.1 Asset side of the balance sheet
The assets of the balance sheet shall be grouped into the followingcategories :

- Fixed assets
- Investments
- Crop development expenses
- Current assets
- Deferred revenue expenditure

I. Fixed assets
Cost, accumulated depreciation and net block should be disclosed for each ofthe following:

- Land
- Leasehold land
- Land development expenses
- Infrastructure and other facilities
- Buildings
- Plant and machinery
- Furniture and fixtures
- Research and development assets
- Others

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II. Investments
The following types of investment shall be separately disclosed:

- Central or State Government securities
- Deposits with scheduled banks
- Debentures, Bonds and Deposits with public sector companies andfinancial institutions
- Other Investments

III. Crop Development Expenses
The following information should be disclosed:

- Opening balance
- Expenses incurred during the year
- Deductions
- Closing balance

In addition, net realisable value at year end and the Break up of variousexpenses included in closing balance should be disclosed. The closingbalance in provisions for diminution in value in Crop Development ExpenseAccount, if any, will be shown as a deduction from closing balance of CropDevelopment Expenses.

IV. Current assets
The following should be separately disclosed :

- Balances with banks in current account
- Cash on hand
- Sundry debtors, distinguishing between good and doubtful

- Inventories
- Outstanding and accrued income
- Advances recoverable in cash or kind
- Deposits
- Others

V. Deferred revenue expenditure
The following should be disclosed:
- Opening balance
- Additions during the year
- Amount amortised during the year
- Closing balance

VI. The debit balance in Profit and Loss Account, if any, shall be brought out

2.2 Liability side of the balance sheet
Liabilities in the balance sheet shall be grouped into the following categories:
- Unit Capital
- Reserves and Surplus
- Current liabilities and provisions

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I. Unit Capital
Unit capital (including number of units and face value per unit)

II. Reserves & Surplus
The following should be separately disclosed:
- General reserve
- Revaluation reserve
- Special reserve
- Any other reserve (disclosing its nature)
- Surplus in Profit and Loss account

III. Current liabilities and provisions
(a) Current Liabilities
The following should be separately disclosed :
- Sundry creditors
- Statutory liabilities
- Bank account overdrawn as per books
- Unclaimed distributed income
- Others

(b) Provisions
The following should be separately disclosed:
- Provision for gratuity
- Proposed income distribution on unit capital
- Provision for taxation

- Other provisions

IV. Contingent liabilities
Disclosure should be made of all contingent liabilities, showing separately thenature and amount of each such liability.

3. Contents of scheme wise Revenue account

3.1 Income
The following should be separately disclosed:
- Surplus on Sale proceeds from crops
- Dividend
- Interest
- Profit on sale/fixed assets and investments
- Sale of residuals and scrap
- Other income (indicating nature)

3.2 Expenses and losses:
The following should be separately disclosed:
- Crop development expenses also disclosing each major item ofexpense under this head
- Provision for doubtful debtors and other assets
- Loss on sale of fixed assets and investments
- Management fees
- Trusteeship fees
- Registration and local charges
- Audit fees
- Repairs and maintenance
- Deferred revenue expenses written off
- Depreciation of fixed assets
- Registration fees
- Other operating expenses

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3.3 Increase/decrease in amount of Crop Development Expenses.

4. Accounting policies
Accounting policies in respect of the following should be separately disclosedat one place and form part of the financial statements:
(a) Fixed assets
1. Land
2. Others

(b) Depreciation
1. Land
2. Others

(c) Investments

(d) Crop Development Expenses (major items under this head should bedisclosed)

(e) Inventories

(f) Revenue recognition

(g) Retirement benefits

(h) Foreign currency transactions

(i) Deferred revenue expenditure

5. Approval and authorisation

The financial statements shall be signed by the schemewise fund managersand the Board of trustees and reported upon by the Auditors. They should beapproved at a meeting of the Board of Directors of the Collective InvestmentManagement Company and also at a meeting of the trustees or in case of atrustee company, by the Board of directors of the trustee Company.

6. Auditors report

6.1 All funds operating CIS shall be required to get their accounts audited interms of a provision to that effect in their trust deeds. The Auditors' Reportshall form a part of the Annual Report. It should accompany the BalanceSheet, Profit and Loss Account and Revenue Account. The auditor shallreport to the Board of trustees and not to the unitholders.

6.2 The auditor shall state whether:—

(a) he has obtained all information and explanations which, to the best of hisknowledge and belief, were necessary for the purpose of his audit,

(b) the Balance Sheet, Profit and Loss Account and the Revenue accountare in agreement with the books of account of the [361][collective investment scheme].

6.3 The auditor shall give his opinion as to whether:

(a) the Balance Sheet gives a true and fair view of the schemewise state ofaffairs of the [362][collective investment scheme] as at the balance sheet date, and

(b) the Profit and Loss Account gives a true and fair view of thesurplus/deficit of the [363][collective investment scheme] for the year/period ended at the BalanceSheet date, and

(c) the Revenue Account gives a true and fair view of the schemewisesurplus/deficit of the [364][collective investment scheme] for the year/period ended at the balancesheet date.

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[361]Substituted by the SEBI (Collective Investment Schemes) (Amendment) Regulations, 2014,w.e.f. 9-1-2014.

[362]*ibid.*

[363]*ibid.*

[364]*ibid.*