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Companies Act 2013 during the week

Rules -0; Circulars - 0; Notifications-0; Orders-0; Important Notices -0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
NIL				

S. No	NEWS ON MCA
1	<p><u>MCA likely to include tech experts in digital competition law panel:</u></p> <p>The Ministry of Corporate Affairs is likely to appoint experts from the technology and startup ecosystem to the recently formed committee on digital competition law. The 16-member panel currently has government officials and senior lawyers, many of whom represent big tech firms. An official memorandum detailing the composition of the panel and co-opt any other person as a member or special invitee as and when required.” Startups, meanwhile, have been concerned about non-representation on the government panel, which many said was skewed in favour of the big tech firms.</p>

2	<p><u>Order of the ROC Gujarat under Section 454 of the Companies Act, 2013:</u></p> <p>ROC Gujarat has imposed a penalty under Section 12(3)(c) of the Companies Act 2013 on M/s. Archon Engicon Limited and its Directors for non compliance of the provisions of the section 12(3)(c), which states that <i>“A company has to get its name, address of its registered office and the Corporate Identity Number along with telephone number, fax number, if any, e-mail and website addresses, if any, printed in all its business letters, billheads, letter papers and in all its notices and other official publications”</i> The Directors were imposed a penalty of Rs. 1,00,000/- each.</p>
3	<p><u>Failure to file Cost Audit Report, MD jailed:</u></p> <p>The Economic offences wing court, Hyderabad convicted the Company and its Managing Director for failing to file a cost audit report to Registrar of Companies (ROC). The Company did not file the report for Rs. 269 crores worth sales.</p>
4	<p><u>MCA V3 Portal Helplines</u></p> <p>The ICSI has set up the following helplines to help stakeholders resolve their queries in V3 Portal.</p> <p>Incorporation issues: https://bluejeans.com/815328258/8182</p> <p>Login and DSC Issues: https://bluejeans.com/227306907/6992</p> <p>Other Company forms: https://bluejeans.com/579582220/8129</p> <p>The helplines would be available for stakeholders from 11 am to 5 pm during all working days.</p>

2

SEBI during the week

**Act -0; Report -0; Circulars–1; Master Circular-1; Notification –0; Regulation- 2;
Reports – 0; NSE Circular – 1; BSE Circular - 0**

S. No	Date of Issue	Rules/Circular/ Notification/ Order	Contents thereof	Gist thereof
1	15/02/2023	Circular	Introduction of Issue Summary Document (ISD) and dissemination of issue advertisements	<p>In order to make the relevant information / data points in a structured manner, SEBI has come out with an Issue Summary Document (ISD). The ISD will be released in XBRL Format for the following:</p> <ul style="list-style-type: none"> • public issue of specified securities (initial public offer / further public offer); • further issues {preferential issue, qualified institutions placement (QIP), rights issue, issue of American Depository Receipts (ADR), Global Depository Receipts (GDR) and Foreign Currency Convertible Bonds (FCCBs); • buy-back of equity shares (through tender offer or from the open market);

				<ul style="list-style-type: none"> • open offer under SEBI SAST Regulations. • voluntary delisting of equity shares where exit opportunity is required under SEBI Delisting Regulations. <p>The rationale of introduction of ISD is to facilitate consumption of data by stakeholders such as researchers, policy makers, market analysts and market participants. SEBI has prescribed format for such submissions along with the timelines by the listed entities.</p>
2	16/02/2023	Regulations	<p>i) SEBI (Real Estate Investment Trust) (Amendment) Regulations, 2023 &</p> <p>ii) SEBI (Infrastructure Investment Trust) (Amendment) Regulations, 2023</p>	<ul style="list-style-type: none"> • SEBI has come out with the Amendment Regulations pertaining to Infrastructure Investment Trust (INVIT) and Real Estate Investment Trust (REIT) • With the Amendment Regulations, SEBI has streamlined the governance norms relating to tenure of auditor, computation of leverage and unclaimed or unpaid distribution of dividends. • REITs or InvITs would not appoint an individual as the auditor for more than one term of five consecutive years, while an audit firm cannot be appointed as the auditor for more than two terms of five consecutive years. • The Board of Directors of REITs or INVITs should comprise at least six directors and have at least one-woman independent director. The quorum for every board meeting should be one-third of its

				<p>total strength or three directors, whichever is higher, including at least one independent director.</p> <p>i) <u>SEBI (REIT) Amendment Regulations, 2023</u></p> <ul style="list-style-type: none"> A new Chapter VIA – Obligation of the Manager has been inserted. Accordingly, the Manager of REITs shall submit a secretarial compliance report given by a practicing Company Secretary to the stock exchanges, in the specified form within sixty days from end of each financial year. This report shall be annexed with the Annual report of the REIT. <p>ii) <u>SEBI (INVIT) Amendment Regulations, 2023</u></p> <ul style="list-style-type: none"> Chapter VIB – “Obligation of the Investment Managers” has been inserted. Accordingly, the Investment Manager shall submit a secretarial compliance report given by a practicing Company Secretary to the stock exchanges, in the specified form within sixty days from end of each financial year. The report shall be signed by either by the compliance officer or the chief executive officer of the investment manager.
3	16/02/2023	Master Circular	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011	SEBI has issued a Master Circular on SEBI (SAST) Regulations, 2011. The Master Circular is a consolidation of all the Circulars released by SEBI pertaining to SAST Regulations.

4	17/02/2023	NSE Circular	Resolution of Company complaints through NEAPS	<p>With a view to provide easy access of complaints registered against the 'Listed Companies' vide the common platform, the Exchange has now introduced a new functionality on the NSE Electronic Application Processing System (NEAPS) platform, wherein the listed companies can now view all complaints registered against them. A detailed user manual has been provided by NSE.</p>
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S.No	NEWS ON SEBI
1	<p><u>Sebi mandates brokers, depositories to maintain websites:</u></p> <p>With an aim to bring in transparency, capital markets regulator Sebi has mandated all stock brokers and depository participants to maintain a well designated website. Such website shall display mandatory information such as basic details of Stock Broker / Depository Participant such as registration number, registered address of head office and branches and names and contact details such as E-mail IDs etc of all key managerial personnel, including compliance officer</p>

3

RBI during the week

Notifications -1; Master Directions –0;Master Circulars –0;Press Release:4

S.No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	13/02/2023	Press Release	RBI cancels Certificate of Registration (CoR) of 2 NBFCs due to irregular lending practices	<ul style="list-style-type: none"> RBI has cancelled the CoR of 2 NBFCs on account of violation of RBI Guidelines on Outsourcing and Fair Practices Code in their digital lending operations undertaken through third party apps which was considered detrimental to public interest. The companies were also not complying with the extant regulations pertaining to charging of excessive interest and had resorted to undue harassment of customers for loan recovery purposes.
2	15/02/2023	Press Release	Online Payment Aggregators	<ul style="list-style-type: none"> RBI has advised the stakeholders to transact with only Payment Aggregators who have been given authorization under the Payment and Settlement Systems Act, 2007 (PSS) or whose application are currently under process with RBI

				<ul style="list-style-type: none"> Stakeholders may transact with new PAs only after these entities have received 'authorisation' under Section 7 of the PSS Act from the Reserve Bank of India.
3	16/02/2023	Notifications	Introduction of Foreign Contribution (Regulation) Act (FCRA) related transaction code in NEFT and RTGS Systems	<ul style="list-style-type: none"> The RBI has made changes to the NEFT and RTGS systems for Foreign Contribution (Regulation) Act (FCRA) related transactions following the Home Ministry's order for State Bank of India (SBI) to report details of overseas donors on a daily basis, including the purpose of remittances. Under the FCRA, foreign contributions can only be received in the "FCRA account" of SBI's New Delhi Main Branch, with contributions coming directly from foreign banks through SWIFT and from Indian intermediary banks through NEFT and RTGS systems. To comply with the requirements of the MHA, the RBI has mandated SBI to capture donor details such as name, address, country of origin, amount, currency, and purpose of remittance for transactions, which SBI must report to the MHA daily. The new instructions will be effective from March 15, 2023.

4	17/02/2023	Press Release	'Draft Guidelines on Minimum Capital Requirements for Market Risk – under Basel III'	<ul style="list-style-type: none"> • As part of convergence of the Reserve Bank's regulations for banks with Basel III standards, the Reserve Bank of India released 'Draft Guidelines for Minimum Capital Requirements for Market Risk' for comments of stakeholders and members of the public. • These guidelines shall be applicable to all Commercial Banks (excluding Local Area Banks, Payments Banks, Regional Rural Banks and Small Finance Banks) and shall come into effect from April 1, 2024. • These guidelines are not applicable to Co-operative Banks (i.e., Urban Co-operative Banks, State Co-operative Banks and Central Co-operative Banks).
5	17/02/2023	Press Release	Draft Reserve Bank of India (Government Securities Lending) Directions, 2023	<ul style="list-style-type: none"> • RBI has released the Draft RBI (Government securities Lending) Directions, 2023 • Detailed directions are provided regarding - Eligibility of Participants, pricing of securities, reporting of trades, settlement of trade, etc.

S. No	NEWS ON RBI
1	<p><u>Financial Literacy Week 2023:</u></p> <p>RBI observed Financial Literacy Week 2023 between February 13 to 17 2023 with the theme being “Good Financial Behaviour – Your saviour”. Focus of the Financial Literacy week was to create awareness about savings, planning and budgeting, and prudent use of digital financial services.</p>
2	<p><u>HaRBinger – Second Global Hackathon</u></p> <p>Reserve Bank of India is organising its second global hackathon – “HARBINGER 2023 – Innovation for Transformation” with the theme ‘Inclusive Digital Services’. Registration for the hackathon starts from February 22, 2023.</p>
3	<p><u>India's forex reserves</u></p> <p>India's foreign exchange reserves declined by \$8.31 billion to \$566.94 billion in the week ending on February 10, according to the Reserve Bank of India's latest data. India's reserves fell 8.3%, logging the biggest decline in more than 11 months.</p>
4	<p><u>Yes Bank appeals before Supreme Court against Bombay HC order on AT1 bond write off</u></p> <p>Private sector lender Yes Bank has appealed in the Supreme Court against the Bombay High Court’s last month order which had set aside the 2020 decision of the Reserve Bank appointed administrator to write off the additional tier I (AT1) bonds worth Rs 8,400 crore. AT1 Bonds are unsecured bonds which have perpetual tenor. In other words, these bonds, issued by banks, have no maturity date. The HC found that during the process of selling the AT1 bonds, individual investors were not informed about all the risks involved in subscription of these bonds. The Sebi investigation also found that Yes Bank represented these bonds as a ‘Super FD’ and ‘as safe as FD’ to the investors.</p>

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IBC during the week
Notifications -0; Master Directions –0; Circulars –0; Press Release –0;

S. No	Date of Issue	Notifications/ Master Directors/Master Circulars	Subject & Link	Gist thereof
NIL				

S. No	NEWS ON IBC
1	<p><u>Partial Payment of PF & Gratuity Dues Violative Of Section 30(2)(E) Of IBC: NCLAT Chennai Reiterates</u></p> <p>The National Company Law Appellate Tribunal (“NCLAT”), while adjudicating an appeal filed in Mrs. C.G. Vijyalakshmi v Shri Kumar Rajan & Ors., has held that Provident Fund and Gratuity dues have to be paid in full to the workmen/employees till the CIRP commencement date. The Bench held that the approved resolution plan violated Section 30(2) of IBC, by paying only 35.13% of the PF and Gratuity dues and thus treating the workmen/employees as Secured Creditors.</p>

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Others during the week
NSE-0; BSE-0; DIPP-0; Finance Ministry-0; Others -0;

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NIL				

GENERAL NEWS	
1	<p><u>Govt focuses on industry, value-added services in DigiLocker push</u></p> <p>In line with its focus to promote digitisation, the government is now aiming to expand the scope of DigiLocker to include its use cases for the industry and add-on functionalities like one-time KYC process for the ease of public services. Apart from the people-centric use case, the industry-centric DigiLocker will also help companies to manage documents digitally with Aadhaar authentication for verification purposes. In the Union Budget, the government announced the upgradation of DigiLocker to an Entity DigiLocker to cater to the digitisation demand of different medium and small businesses and charitable trusts across the sectors.</p>
2	<p><u>CBDT notifies ITR Forms</u></p> <p>The Central Board of Direct Taxes has notified the ITR Forms (ITR 1 – ITR 7) for the assessment year 2023-2024. There are no changes to the returns. However, the CBDT has notified these Forms 2 months in advance.</p>

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Update on Regulated Sector

S.No	Sector	Update
1	RBI – Payment Aggregators	RBI grants in-principle approval to 32 entities for payment aggregator licence Online payment aggregators are those entities that on-board digital merchants and receive payment from the customers on their behalf after getting license from the payment regulator. RBI has got in – principal approval to 32 entities including Amazon (Pay) India Private Limited, Cashfree Payments India Private Limited, Google India Digital Services Payment Limited.



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