

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC
Week 27– June 28th 2021 to July 4th 2021

1

Companies Act 2013 during the week

Rules -0; Circulars - 2; Notifications-0; Orders-0; Important Notices -1

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	30/06/2021	Circular	Relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013 https://www.mca.gov.in/bin/dms/getdocument?mids=vqTLu4GNC8MKujYEiUplEg%253D%253D&type=open	MCA vide this circular notified that for form CHG-1 & CHG-9, for which the due date of filing / date of creation or modification falls within the period from April 1, 2021 till July 31, 2021, the said period shall not be reckoned for the purpose of counting the number of days under section 77 and 78 of the Act which deals with the registration of charges and Application for Registration of Charge respectively. In case such form is not filed, the first day after 31 st March 21 / date of creation or modification shall be reckoned as 1 st August 2021. MCA clarified that the other requirements as mentioned in its previous circular shall remain unchanged and this Circular shall be without prejudice to any belated filings that may have already been made along with additional fees/advances.
2	30/06/2021	Circular	Relaxation on levy of additional fees in filing of certain forms under the Companies	No additional fees will be levied up to 31 st August 2021 (earlier 31 st July 2021) on filing of various forms (except

			Act,2013 and LLP Act, 2008 https://www.mca.gov.in/bin/dms/getdocument?mds=ONI%252BU4n7x%252FntbDPEaxYULQ%253D%253D&type=open	for CHG-1/CHG-4/CHG-9), under the Companies Act 2013/LLP Act 2008 and Rules made thereunder, which are due for filing between 1 st April 2021 to 31 st May 2021 (earlier 1 st April 2021 – 31 st July 2021)															
3	01/07/2021	Important Notice	List of forms for which additional fee waiver shall be made available/extended in line with the General Circular 11/2021 and 12/2021 https://www.mca.gov.in/bin/dms/getdocument?mds=xlk8LHJKnBG	MCA issued a list of forms for which relaxation for delayed filing without payment of any additional fees is applicable. Vide this circular MCA added the following list of forms <table border="1"> <thead> <tr> <th>S.No</th> <th>Forms</th> <th>Form Description</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Form DPT-3</td> <td>Return of Deposits</td> </tr> <tr> <td>2.</td> <td>Form IEPF-2</td> <td>Statement of unclaimed or unpaid amounts</td> </tr> <tr> <td>3.</td> <td>Form NDH-1</td> <td>Return of Statutory Compliances (Nidhi cos)</td> </tr> <tr> <td>4.</td> <td>Form FC-3</td> <td>Annual accounts along with list of all principal places of business in India established by foreign company</td> </tr> </tbody> </table>	S.No	Forms	Form Description	1.	Form DPT-3	Return of Deposits	2.	Form IEPF-2	Statement of unclaimed or unpaid amounts	3.	Form NDH-1	Return of Statutory Compliances (Nidhi cos)	4.	Form FC-3	Annual accounts along with list of all principal places of business in India established by foreign company
S.No	Forms	Form Description																	
1.	Form DPT-3	Return of Deposits																	
2.	Form IEPF-2	Statement of unclaimed or unpaid amounts																	
3.	Form NDH-1	Return of Statutory Compliances (Nidhi cos)																	
4.	Form FC-3	Annual accounts along with list of all principal places of business in India established by foreign company																	

S. No	NEWS ON MCA
	NIL

2

SEBI during the week

Act -0; Rules -0; Regulations-0; General Orders – 0; Guidelines- 0

Master Circulars-0; Circulars – 0; Press Release –0 Others -0;

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof

S. No	NEWS ON SEBI
1	<p>Informal Guidance (Informal Guidance Sought by iFast Financial India Private Limited regarding SEBI (Investment Advisers) Regulations, 2013)</p> <p>Query 1 (a) : If an advisory client of Investment Advisor (IA) approaches the IA to recommend any services which the IA is not qualified to provide such as tax planning or overseas investment, can the IA recommend such a service to the client to the best of his knowledge and earn referral fee (fully disclosed to client) from the entity whom he has referred to the client for such service?</p> <p>Answer: In terms of the IA Regulations, an IA can undertake an activity of providing investment advice for a consideration and the same cannot be construed to include any referral fees as envisaged at query above.</p> <p>Query 1 (b): Since an IA who is also a Stock Broker is disallowed to charge any implementation fee, he is thereby disallowed to charge brokerage in direct equities. However, to comply with the requirements of the Indian Contract Act, 1882, any contract without consideration is void and therefore a broker is required to charge on equities traded through him. Can the brokerage be zero or nominal 1 paisa?</p>

Answer: The Provisions of Regulation 22A of IA regulations do not envisage the charging of any implementation fees. It is clear that lawful consideration is a necessary ingredient for a valid contract and should be something in which the law attached some value. The said requirements are being fulfilled in the current framework and hence there is no requirement for IAs to collect the nominal fees since this would be squarely against the requirement of the IA Regulations.

Query 2 (a) : Is a Non-Resident Indian (NRI) or Person of Indian Origin (PIO) required to apply for the individual RIA license if he is providing advice to investors outside of India who are keen to invest in India?

Answer: Persons including NRI/PIO are not required to seek registration under the IA Regulations, if they provide investment advisory to exclusively clients based out of India (excluding NRIs and PIOs)

Query 2 (b) : Can an NRI / PIO join corporate RIA as a person associated with investment advice without having setting up an office in India to service his/her clients in India?

Answer: Any NRI / PIO intends to offer investment advisory to the clients in India, registration under IA regulations is mandatory. In case such NRI or PIO desires to join any non-individual IA as Person Associated with investment Advice, all clients on-boarded by such PAA shall be considered as clients of non-individual IA and not of such NRI or PIO. Also, the non-Individual IA will be required to ensure that the advice provided to the clients is in compliance with the IA regulations

Query 3 a): Is an overseas degree related to finance sufficient to meet the educational criteria without having to obtain the post-graduate diploma?

Answer: An applicant desirous of obtaining registration has to satisfy the specified criteria for educational qualifications which includes professional qualifications or post graduate degree or a post graduate diploma (of minimum 2 years duration) from Indian/foreign universities or a CFA charter from the CFA institute. Thus a foreign graduate degree will not satisfy the specified criteria for educational qualification since it does not fulfill the specified eligibility criteria under the IA Regulations.

Query 4 b): Is existing PAA above the age of 50 years be eligible to avail the exemption under clause 2(iv) of the “Guidelines for Investment Advisers” issued by SEBI in September 2020?

Answer: Existing individual IAs above Fifty Years of age are not required to comply with the qualifications and experience requirements specified under the regulations. However, the aforesaid exemption is not applicable for PAA with non-individual IAs.

Query 4 c): Can following courses be considered as valid Educational Qualification under Regulation 7(1):

	<ul style="list-style-type: none"> • course from The Institute of Cost Accountants of India, formerly known as ICWAI • LLB or LLM (Bachelor’s in Law and Master’s in Law) <p>Answer: Course from ICWAI will be covered. Educational qualification in law including LLB or LLM is not specified as qualification.</p>
<p>2</p>	<p>Informal Guidance (Informal Guidance sought by Waterfield Financial and Investment Advisors Private Limited regarding SEBI (Investment Advisers) Regulations, 2013)</p> <p>Query 1: Whether WFPL’s clients can, at their volition, grant a Power of Attorney to WFPL, authorizing WFPL to (a) make inquires concerning the client’s account with the custodian(such as account balances, transaction details, etc) and (b) liaise with the client’s custodian and receive information from/transmit information to the custodian, in relation to the client’s investment decision/client’s investment products under the POA at all times, after receiving the written consent and instructions from the client?</p> <p>Query 2: Whether the said arrangement between WFPL and its clients whereby WFPL’s role, pursuant to the POA, is limited to the activities set out in (i) above would be considered as “implementation Services” in terms of the SEBI IA Regulations?</p> <p>Answer: In terms of the IA Regulations, an IA is required to render investment advice to its client and not manage funds or securities on behalf of the client. Considering the scope of activities allowed to an IA under IA Regulations, grant of a POA has neither been envisaged nor appears desirable for an IA.</p>
<p>4</p>	<p>SEBI – Board Meeting https://www.sebi.gov.in/media/press-releases/jun-2021/sebi-board-meeting_50771.html</p> <p>At its recent Board Meeting SEBI made few important decisions, interalia, the following</p> <ul style="list-style-type: none"> • Approved the proposal to introduce a framework for ‘Accredited Investors’ in the Indian securities market • Approved amendments to SEBI LODR Regulations, interalia, the following <ul style="list-style-type: none"> ○ Appointment/Re-appointment and Removal of IDs shall be through a special resolution ○ Composition of NRC has been modified to include 2/3rdIDs ○ Shareholder approval for appointment of all directors including IDs shall be taken at the next general meeting, or within three months of the appointment on the Board, whichever is earlier • Approved the amendments to SEBI (Infrastructure Investment Trusts) Regulations, 2014, for introduction of minimum unit holders requirement for unlisted InvITs • Modified the criteria for Infrastructure Investment Trusts (“InvITs”) and Real Estate Investment Trusts (“REITs”), • Approved amendments permitting Resident Indian fund managers to be constituents of FPIs • Approved amendment to SEBI (Mutual Funds) Regulations, 1996, to provide for investment of a minimum amount as skin in the game in the Mutual Fund (MF) schemes by AMCs

- | | |
|--|---|
| | <ul style="list-style-type: none">• Approved the proposal allowing banks other than scheduled banks, as may be specified by SEBI from time to time, to register as a Banker to an Issue.• Approved amendments to streamline the process of reward payment and to enhance the quantum of reward under the informant mechanism under SEBI PIT Regulations. |
|--|---|

3

RBI during the week

Notifications -0; Master Directions –0; Master Circulars –0; Circular -0;

Press Release – 0

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

S. No	NEWS ON RBI
1	RBI asks banks to surrender non-compliant corporate current accounts by July 30. Banks will now have to surrender current accounts of all companies or corporate borrowers, where their loan exposure is less than 10 percent of the total approved facilities.
2	RBI has been decided that if a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

4

IBC during the week

Notifications -0; Master Directions –0; Master Circulars –0; Circular –0;

Press Release –0; Others – 0

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

S. No	NEWS ON IBC
1	<p>Aircel Resolution: Banks in SC, say IBC overrides telecom licence conditions</p> <p>The committee of creditors of Aircel and the successful bidder, UV Asset Reconstruction Company (UAVRCL), have challenged the order of the National Company Appellate Tribunal (NCLAT) pronounced on April 13 in the Supreme Court, which ruled that spectrum can be transferred as part of insolvency resolution plan but only after clearing all government dues.</p>

5

Others during the week

NSE-0; BSE-0; DIPP-0; Finance Ministry-0; Others -1;

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	01/07/2021	Notification	<p>Extension in period of modification of IEC till 31.07.2021 and waiver of fees for IEC updation during July, 2021</p> <p>https://content.dgft.gov.in/Website/dgftprod/5baa33d0-13d0-4b7a-9f78-5a3543681416/Notification%2011%20dt%2001-07-21%20Eng.pdf</p>	Vide this notification, DGFT informed that last date for modification/ updation of IEC has been extended up to 31.07.2021.

S. No	General News



Flat No.7, Door No.10 Madhans,
South Canal Bank Road,
Mandavelipakkam, Chennai 600028.

bhuvana.r@akshayamcorporate.com | jayanth.v@akshayamcorporate.com

www.akshayamcorporate.com ;

Mobile: 9789982805 | 9962156708

The Information Contained herein is of general nature and is not intended to address the circumstances of any particular individual or entity. The views expressed here are solely those of the author in his private capacity. The News items are taken as is provided in various websites and newspapers and the author shall not be held responsible for any of it.