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Companies Act 2013 during the week

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

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	19/04/2022	Rules	<p>The Nidhi (Amendment) Rules, 2022</p> <p>https://www.mca.gov.in/bin/dms/getdocument?mds=LTZyclKMNKOLX6JwM%252BaPeA%253D%253D&type=open</p>	<p>The Ministry of Corporate Affairs (MCA) vide its Notification dated April 19, 2022 has notified the Nidhi (Amendment) Rules, 2022 which shall come into force on the date of its publication in the Official Gazette. The amendments inter-alia provide that:</p> <ul style="list-style-type: none"> • No company, which has not complied rule 3A pertaining to Declaration of Nidhis, shall raise any deposit from its members or provide any loan to its members under the provisions of these rules from the date of such noncompliance, or from the date of the commencement of the above said rules, or the date of rejection of the application in Form NDH-4, whichever is later.

				<ul style="list-style-type: none"> • If any deposit raised by a company after the date of non-compliance, the said deposit shall be deemed to have been raised in pursuance of Acceptance of Deposits by Companies (Chapter V). • Public company desirous to be declared as a Nidhi shall apply, in Form NDH-4, within a period of one hundred twenty days of its incorporation for declaration as Nidhi, if it fulfils the following conditions: <ul style="list-style-type: none"> • It has not less than two hundred members • It has Net Owned Funds of twenty lakh rupees or more etc. • A Nidhi shall be a public company and shall have a minimum paid up equity share capital of ten lakh rupees (earlier 5 lakh) and shall comply with this requirement within a period of eighteen months of commencement of amendment rules. • Under General Restrictions or Prohibitions- No Nidhi shall acquire or purchase securities of any other company or control the composition of the Board of Directors of any other company in any manner whatsoever or enter into any arrangement for the change of its management. • Every Nidhi shall maintain Net Owned Funds of not less than twenty lakh rupees (ten lakh) or such higher amount as the
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				Central Government may specify from time to time and shall comply with this requirement within a period of eighteen months of commencement of amendment rules.
2	21/04/2022	Notification	<p>Notice inviting comments on the report of the company law committee</p> <p>https://www.mca.gov.in/bin/dms/getdocument?mids=CltrFMytCdMed6rdlu5XA%253D%253D&type=open</p>	<p>The Ministry of Corporate Affairs inviting comments /suggestions on the Company Law Committee Report (2022) through e-consultation platform at:</p> <p>https://www.mca.gov.in/content/mca/global/en/econsultation.html</p>

S. No	NEWS ON MCA
1	Revised MCA21 V3 Login FAQs: MCA has released FAQs for V3 login in MCA portal
2	<p>MCA registers highest ever 1.67 lakh companies in FY 2021- 22:</p> <p>During the Financial Year 2021-22, Ministry of Corporate Affairs (MCA) registered more than 1.67 Lakh company incorporations as compared to 1.55 Lakh companies during FY 2020-21. As part of Government of India's drive for Ease of Doing Business (EoDB), the MCA has taken many initiatives thereby saving as many procedures, time and cost for starting a business in India.</p>
3	<p>Proposal to exempt SPACs from 'shell company' tag : The corporate affairs ministry has proposed to exempt special purpose acquisition vehicles (SPACs) from the 'shell company' provisions. In its 'Company Law Committee Report 2022', the ministry proposed to give legal status to SPAC entities and exempt them from the requirement applicable to companies regarding business operations. Under Companies Act, every company needs to carry out business after incorporation, failing which the name of the company will be struck off.</p>

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SEBI during the week

Act -0; Report -0; Circulars–1; Press Release-2; Notification –0; Guidelines- 0

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
1	18/04/2022	Press Release	<p>SEBI issues operational guidelines for “Security and Covenant Monitoring using Distributed Ledger Technology (DLT)”</p> <p>https://www.sebi.gov.in/media/press-releases/apr-2022/sebi-issues-operational-guidelines-for-security-and-covenant-monitoring-using-distributed-ledger-technology-dlt-58133.html</p>	<p>In order to strengthen the process of security creation and monitoring of security created, asset cover and covenants of the non-convertible securities, SEBI vide circular dated August 13, 2021 had specified the manner of recording of charges by Issuers and manner of monitoring by Debenture Trustees (DTs), Credit Rating Agencies, etc. and responsibilities thereof. Accordingly, with effect from April 01, 2022, the recording of asset details (and their verification), allotment, listing and payment of interest or redemption shall be available in the DLT system. Operational guidelines in this regard have been issued vide SEBI circular dated March 29, 2022. To ensure uniqueness of the assets of the issuer offered as security, appropriate validation/ duplicate checks based on parameters identified for each</p>

				<p>asset type have been put in place in the system. The said system is applicable to all the issuers proposing to issue non-convertible securities on or after April 01, 2022 and they shall record the details in the system before activation of ISIN</p>
2	20/04/2022	Press Release	<p>SEBI signs MoU with the Manitoba Securities Commission, Canada</p> <p>https://www.sebi.gov.in/media/press-releases/apr-2022/sebi-signs-mou-with-the-manitoba-securities-commission-canada_58230.html</p>	<ul style="list-style-type: none"> • The Securities and Exchange Board of India (SEBI) and the Manitoba Securities Commission (MSC) have entered into a bilateral Memorandum of Understanding(MoU) for mutual co-operation, exchange of information and technical assistance. • The MoU took effect on April 20, 2022. • The MoU will strengthen cross border co-operation in the area of securities regulation. This will facilitate mutual assistance, contribute towards efficient performance of the supervisory functions, aid in imparting technical domain knowledge, and enable effective enforcement of the laws and regulations governing the securities markets. • Signing of this MoU will also make investors based in the province of Manitoba eligible to obtain registration as Foreign Portfolio Investors (FPIs) with SEBI.

3	20/04/2022	Circular	<p>Streamlining the process of public issues and redressal of investor grievances</p> <p>https://www.sebi.gov.in/legal/circulars/apr-2022/streamlining-the-process-of-public-issues-and-redressal-of-investor-grievances_58226.html</p>	<ul style="list-style-type: none"> • SEBI has taken measures to have a uniform policy to further streamline the processing of the ASBA applications through UPI process among intermediaries/SCSBs • SCSBs/UPI Apps eligible for Public Issues shall send SMS Alerts to Investors for all ASBA applications and may also provide the Invoice in the Inbox as an additional feature to verify the UPI mandate details • This circular shall come into force with immediate effect.
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S. No	NEWS ON SEBI
	NIL

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RBI during the week

Notifications -3; Master Directions –0; Master Circulars –0; Press Release -0;

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	19/04/2022	Notification	<p>Disclosures in Financial Statements- Notes to Accounts of NBFCs ; Loans and Advances–Regulatory Restrictions – NBFCs; Capital requirements for Non-Banking Finance Companies – Upper Layer (NBFC-UL) & Large Exposures Framework for Non-Banking Financial Company - Upper Layer (NBFC-UL)</p> <p>https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12294&Mode=0 https://www.rbi.org.in/Scripts/Notif</p>	<ul style="list-style-type: none"> • The Reserve Bank of India (RBI) had issued circular DOR.CRE.REC.No.60/ 03.10.001/2021-22 dated October 22, 2021, on Scale Based Regulation (SBR) (A Revised Regulatory Framework for NBFCs). Now RBI has issued detailed set of rules and relevant annexures for Non-Bank Financiers on Large Exposures, Capital Requirements, Lending to Directors and sought Additional Disclosures in their notes to accounts. • NBFCs shall have a Board approved policy on grant of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major

			https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12292&Mode=0 https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12296&Mode=0 https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12298&Mode=0	<p>shareholding. Approved policy shall include a threshold beyond which loans to abovementioned persons shall be reported to the Board</p> <ul style="list-style-type: none"> • These guidelines shall be effective from October 01, 2022
2	19/04/2022	Notification	<p>Issue and regulation of share capital and securities - State Co-operative Banks and District Central Co-operative Banks</p> https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12297&Mode=0	<ul style="list-style-type: none"> • The Banking Regulation (Amendment) Act, 2020, notified in the Gazette of India on September 29, 2020, has come into force with effect from April 01, 2021 for Rural Cooperative Banks (RCBs), i.e. State Co-operative Banks (StCBs) and District Central Cooperative Banks (DCCBs). • The extant instructions for RCBs on issue and regulation of capital funds have been reviewed keeping in view, inter alia, the provisions of Section 12 read with Section 56 of the amended Banking Regulation Act, 1949.
3	21/04/2022	Notification	<p>Legal Entity Identifier (LEI) for Borrowers</p> https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12299&Mode=0	<ul style="list-style-type: none"> • LEI is extended to primary co-operative companies. • LEI codes to be obtained by Non-individual

			px?Id=12301&Mode=0	<p>borrowers who gets aggregate exposure of 5 crores and more, from Bank and financial institutions.</p> <ul style="list-style-type: none"> • Borrowers who fail to obtain LEI codes from an authorized Local Operating Unit (LOU) shall not be sanctioned any new exposure nor shall they be granted renewal/enhancement of any existing exposure. Departments/Agencies of Central and State Governments (not Public Sector Undertakings registered under Companies Act or established as Corporation under the relevant statute) shall be exempted from this provision.
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S. No	NEWS ON RBI
1	<p>External benchmarks to further boost monetary transmission: RBI report</p> <p>The transmission of the Monetary Policy to banks' lending and deposit rates has notably improved since October 2019, facilitated by introduction of the External Benchmark Linked Lending Rate (EBLR) system, the Reserve Bank of India (RBI) said in a report published as part of its bulletin for April 2022. The earlier internal benchmark-based lending rate regimes suffered from a multitude of issues, such as arbitrariness in calculation of the Base Rate/Marginal Cost of funds-based Lending Rate (MCLR) and spreads and long reset clauses, which inhibited efficient monetary transmission.</p>

2 Opening current, cash credit/OD accounts: Banks' scope widened

The Reserve Bank of India (RBI) has expanded the scope of exemptions under its circular for “opening Of Current Accounts and Cash Credit (CC)/Overdraft (OD) accounts” by banks. It has given exemptions for accounts for settlement of dues related to debit card/ATM card/ credit card issuers, accounts of white label ATM operators and their agents for sourcing of currency, Cash-In-Transit (CIT) companies/Cash Replenishment Agencies (CRAs) for providing cash management services and accounts opened by a bank funding a specific project for receiving/ monitoring cash flows of that specific project, provided the borrower has not availed any CC/OD facility for that project, inter-bank accounts and accounts of All India Financial Institutions (AIFIs).

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IBC during the week
Notifications -1; Master Directions –0; Master Circulars –0; Circular –0;

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

S. No	NEWS ON IBC
1	<p>Bank Of India Files Petition Under Section 7 Of IBC Against Future Retail Limited.</p> <p>The Bank of India has filed a petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") before the National Company Law Tribunal ("NCLT"), Mumbai Bench, seeking initiation of Corporate Insolvency Resolution Process ("CIRP") against Future Retail Limited ("FRL"). The matter has not been listed yet for its first hearing.</p>

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Others during the week

NSE-0; BSE-0; DIPP-0; Finance Ministry-0; Others -3;

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	19/4/2022	Notification	International Financial Services Centres Authority (Fund Management) Regulations, 2022 https://egazette.nic.in/WriteReadData/2022/235256.pdf	IFSCA notified the International Financial Services Centres Authority (Fund Management) Regulations, 2022. These regulations inter-alia provides the provisions relating to registration of fund management entity, venture capital schemes, restricted schemes (nonretail schemes), retail schemes, special situation funds, exchange traded funds, regulation of fund management activities, listing of schemes on recognized stock exchanges, General Obligations and responsibilities of FMEs and KMP, etc. The appointment, role and duties etc. of KMPs are also laid down in the said regulations. These

				regulations shall come into force on the 30 th day from April 19, 2022.
2	18/04/2022	Notification	<p>The Chartered Accountants, the Cost and Works Accountants and the Company Secretaries (Amendment) Act, 2022</p> <p>https://egazette.nic.in/WriteReadData/2022/235187.pdf</p>	<ul style="list-style-type: none"> • The Chartered Accountants, the Cost and Works Accountants and the Company Secretaries (Amendment) Act, 2022 received the assent of the President on the 18th April, 2022. The Act amended the Chartered Accountants Act, 1949, the Cost and Works Accountants Act, 1959 and the Company Secretaries Act, 1980. • There shall be a Coordination Committee consisting of the President, Vice-President and the Secretary of the Council of each of the Institutes of Chartered Accountants of India, the Cost Accountants of India and the Company Secretaries of India for the development and harmonisation of the professions of Chartered Accountants, Cost Accountants and Company Secretaries. The meeting of the Coordination Committee shall be chaired by the Secretary, Ministry of Corporate Affairs. The same shall be held once in a quarter.

3	18/04/2022	Notification	<p>Criminal Procedure (Identification) Act, 2022 https://egazette.nic.in/WriteReadData/2022/235184.pdf</p>	<ul style="list-style-type: none"> • Criminal Procedure (Identification) Act, 2022 received the assent of the President on the 18th April, 2022. • The Criminal Procedure (Identification) Act, 2022 to authorise government agency for taking measurements of convicts and other persons for the purposes of identification and investigation in criminal matters and to preserve records and for matters connected therewith and incidental thereto.
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GENERAL NEWS	
1	<p>Tata Steel board to consider stock split: The Board of Directors of Tata Steel will consider a stock split at the board meeting to be held on May 3. “The company will consider a proposal for sub-division of the equity shares of the company having a face value of Rs 10 each, in such manner as may be determined by the board of directors, subject to regulatory and statutory approvals as may be required and the approval of the shareholders of the company,” the company said in an exchange filing.</p>



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