

Companies Act 2013 during the week

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

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	10/5/2022	Notice	<p>Notice Inviting Comments on The Report of The Company Law Committee (2022)</p> <p>https://www.mca.gov.in/bin/dms/getdocument?mds=z%252FPSanQfuHfeUu%252FIK2DLuw%253D%253D&type=open</p>	MCA extends the date for submission of comments/suggestions on the Report of the Company Law committee through e- consultation Platform and email till the 15 th of May,2022.

2	10/5/2022	Notification	<p>The Chartered Accountants, the Cost Accountants and the Company Secretaries (Amendment) Act, 2022</p> <p>https://egazette.nic.in/WriteReadData/2022/235713.pdf</p>	<p>The MCA has mandated the provisions of Chartered Accountants, the Cost and Works Accountants and the Company Secretaries (Amendment) Act, 2022 (12 of 2022) that shall come into force as on 10th May 2022</p>
3	12/5/2022	Notice	<p>Call for Research Studies under Expert Committee (EC)</p> <p>https://www.mca.gov.in/bin/dms/getdocument?mds=ELxEmUih6pHXQ28XpYZ4Kg%253D%253D&type=opena</p>	<ul style="list-style-type: none"> • MCA invited Research proposals under the scheme “Funding for Research studies on Corporate Governance” under the expert committee to explore, expand the scope and effectively utilize the repository of corporate sector data available under the MCA-21 e-governance system to formalize a research agenda and fund the same. • The detailed guidelines for the same can be accessed at mca.gov.in (Revised CGEC Guidelines). • Research Proposals received on or before 15th June, 2022 will be considered for approval.

S. No	NEWS ON MCA
1	<p><u>Duomatic Principle In Company Law Applicable Even In Indian Context</u></p> <p>The Supreme Court observed that Duomatic Principle that 'strict adherence to a statutory requirement may be dispensed with if it is demonstrated otherwise on facts, if the same is consented by all members' is applicable even in the Indian context. Bench further clarified that clarified that the said principle is only applicable in those cases wherein bona fide transactions are involved and that 'Fraud' is a clear exception.</p>

2

SEBI during the week

Act -0; Report -0; Circulars2; Press Release-1; Notification –0; Regulation- 2

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
1	10/5/2022	Press Release	Grant of recognition to NSDL Database Management Limited (NDML) as an Accreditation Agency https://www.sebi.gov.in/media/press-releases/may-2022/grant-of-recognition-to-nsdl-database-management-limited-ndml-as-an-accreditation-agency_58850.html	NSDL Database Management Limited (NDML) a wholly owned subsidiary of National Securities Depository Limited (NSDL) has been granted recognition as an Accreditation Agency under Regulation 2(1) (aa) of SEBI (Alternative Investment Funds) Regulations, for a period of three years with effect from May 10 2022, with reference to SEBI Circular dated August 26 2021. The renewal of the recognition would be subject to satisfactory performance by NDML
2	10/5/2022	Regulations	Securities and exchange board of India (Infrastructure investment trusts) (amendment) regulations, 2022 https://www.sebi.gov.in/legal/regulations/may-2022/securities-and-exchange-board-of-india-	These amended regulations may be called the Securities and Exchange Board of India (Infrastructure Investment Trusts) (Amendment) Regulations, 2022. With respect to privately placed InvITs (Infrastructure Investment Trust) a non-refundable fee shall be payable of: a) 0.1% in case of initial offer, and b) 0.05 % in case of Rights issue

			infrastructure-investment-trusts-amendment-regulations-2022_58820.html	<p>of the total issue including Green shoe option if any at the time of filing draft placement Memorandum or letter of offer.</p> <p>Earlier, the fees was fixed at 0.1% irrespective of the type of offer made.</p>
3	10/5/22	Circular	<p>Changes to the Framework to Enable Verification of Upfront Collection of Margins from Clients in Cash and Derivatives segments</p> <p>https://www.sebi.gov.in/legal/circulars/may-2022/changes-to-the-framework-to-enable-verification-of-upfront-collection-of-margins-from-clients-in-cash-and-derivatives-segments_58843.html</p>	<ul style="list-style-type: none"> • SEBI has decided that the margin requirements to be considered for the intra-day snapshots, in derivatives segments (including commodity derivatives), shall be calculated based on the fixed Beginning of Day (BOD) margin parameters. The BOD margin parameters would include all SPAN margin parameters as well as ELM requirements • There shall be no change in methodology of determination and collection of End of Day margin obligation of the client. Also, there shall be no change in the provisions relating to collection and reporting of margins in cash segment • The above mentioned change is only for the purpose of verification of upfront collection of margins from clients. • SEBI circulars dated July 20, 2020 and December 16, 2021 shall, accordingly, be modified to the above extent. • The provisions of this circular shall come into effect from August 01 2022

4	10/5/2022	Regulation	<p>Securities and Exchange Board of India (collective investment Schemes) Regulations, 1999</p> <p>https://www.sebi.gov.in/legal/regulations/may-2022/securities-and-exchange-board-of-india-collective-investment-scheme-regulations-1999-last-amended-on-may-10-2022-58896.html</p>	<p>Securities and Exchange Board of India (collective investment Schemes) Regulations, 1999 has been amended as on 10th May 2022 which inter-alia includes the following</p> <ul style="list-style-type: none"> • The Applicant applying for registration under SEBI Collective investment scheme shall have sound track record and general reputation of fairness and integrity in all their business transactions. For the purposes of this clause “sound track record” shall mean that, the applicant or its promoter should be carrying on business in financial services or in the relevant field, in which collective investment schemes are proposed to be launched, for a period of not less than five years and networth shall remain positive in all those years, which shall not be less than 50 crore • No collective investment scheme shall be open for subscription for more than fifteen days: Provided that collective investment scheme may be kept open for subscription for a maximum of another fifteen days subject to issuance of public notice by the Collective Investment Management Company before the expiry of initial fifteen days
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5	13/5/2022	Circular	<p>Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</p> <p>https://www.sebi.gov.in/legal/circulars/may-2022/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015_58920.html</p>	<ul style="list-style-type: none"> • In view of the MCA circular dated 5th May 2022, SEBI has decided to provide relaxation from sending of hardcopy of annual report. It is however emphasized that in terms of Regulation 36 (1) (c) of LODR Regulations, listed entities are required to send hard copy of full annual report to those shareholders who request for the same • Notice of AGM by advertisement in terms of regulation 47 of LODR Regulations shall contain a link to annual report for shareholder access. • Requirement of sending proxy forms under Regulation 44(4) of LODR Regulations is dispensed up to 31st December 2022 for General meetings held in electronic mode only.
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S. No	NEWS ON SEBI
1	<p><u>Research analyst cannot provide model portfolio services</u></p> <p>SEBI recently passed an interesting (and controversial) consent order against Amit Jeswani, a SEBI-registered research analyst and proprietor of Stallion Asset. While the market regulator imposed a settlement of ₹28.6 lakh on Amit Jeswani, the important observation in the order said that registered research analysts cannot offer model portfolios or advisory services. While it is a known fact that RAs cannot offer customised investment advice, SEBI's stance on portfolios has caused confusion among market participants.</p>

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RBI during the week

Notifications -1; Master Directions –0; Master Circulars –0; Press Release -2;

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	10/5/2022	Press Release	Overseas Direct Investment for April 2022 https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53684	The Reserve Bank of India has today released the data on Overseas Direct Investment , both under Automatic Route and the Approval Route, for the month of April 2022.
2	29/04/2022	Press Release	7 Non-Banking Financial Companies surrender their Certificate of Registration to Reserve Bank of India https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53687	7 Non-Banking Financial Companies (NBFCs) have surrendered the Certificate of Registration (CoR) granted to them by the Reserve Bank of India (RBI). The RBI, in exercise of powers conferred on it under Section 45-IA (6) of the Reserve Bank of India Act, 1934, has therefore cancelled their CoR.

3	13/5/2022	Notification	<p>Lending by Commercial Banks to NBFCs and Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on-lending to priority sectors</p> <p>https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12317&Mode=0</p>	<ul style="list-style-type: none"> • Bank credit to NBFCs (including HFCs) for on-lending will be allowed up to an overall limit of 5 percent of an individual bank's total priority sector lending in case of commercial banks. • Small Finance Banks(SFB) to give credit to NBFC-MFIs and other MFIs (Societies, Trusts, etc.) which are members of RBI recognized 'Self-Regulatory Organization' of the sector, up to an overall limit of 10 percent of an individual bank's total priority sector lending. • SFBs are allowed to lend to registered NBFC-MFIs and other MFIs which have a 'gross loan portfolio' (GLP) of up to ₹500 crore as on March 31 of the previous financial year.
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S. No	NEWS ON RBI
1	<p><u>PSU banks agree to back stressed power companies</u> Government-owned banks have agreed to finance distressed power companies undergoing insolvency proceedings after being nudged by the finance ministry, in order to help boost electricity supplies. Lenders will provide working capital loans primarily to purchase imported coal and operate plants at maximum capacity as states struggle to meet demand amid high summer temperatures.</p>
2	<p><u>State Enactments Like Kerala/Gujarat Money Lenders Act Have No Application to NBFCs Registered Under RBI Act</u> The Supreme Court has held that the state enactments such as Kerala Money Lenders Act, 1958 and Gujarat Money Lenders Act, 2011 will have no application to Non Banking Financial Companies (NBFC) regulated by the Reserve Bank of India (RBI). “The ruling has two big takeaways for NBFCs. First, it has effectively reaffirmed regulatory sanctity for NBFCs registered with the RBI as a separate category of lenders, distinct from the traditional moneylenders. “Second, while the Supreme Court has not specifically commented on the appropriateness of interest rates being charged by NBFCs, it has implicitly stated that the RBI has the jurisdiction and powers to look into the same and is already doing so through the various Regulations, Master Circulars and Master Directions issued by it.</p>

4

IBC during the week

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

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

S. No	NEWS ON IBC
1	<p><u>Arrears Of Salary Due Beyond Three Years, Barred By Limitation, Cannot Be The Basis For Initiating CIRP</u></p> <p>NCLAT, New Delhi, has held that arrears of salary due beyond a period of 3 years would be barred by limitation for the purposes of initiating Corporate Insolvency Resolution Process ("CIRP"). The Managing Director had initiated CIRP against the Corporate Debtor over salary arrears dues which were barred by limitation. NCLAT has set aside the order of CIRP vide an order dated 10.05.2022.</p>

2	<p><u>Appeal To NCLAT Shall Be Filed Within A Period Of 30 Days, Reiterates Supreme Court</u> : The Supreme Court bench in the case of Safire Technologies Pvt Ltd versus Regional Provident Fund Commissioner reiterates that an appeal against the order of NCLT shall be filed before the NCLAT within a period of 30 days and the appellate tribunal can only condone delay for a period of 15 days. The appellant filed a civil appeal before the Supreme Court under Section 62 of Insolvency and Bankruptcy code, 2016 (IBC/Code) against the order dated 10.01.2021 passed by NCLAT wherein it has issued notice in an appeal even when there was a delay of 388 days in filing the appeal before NCLAT.</p>
3	<p><u>Recoveries by financial creditors under IBC shrink to 33%, shows data</u></p> <p>Recoveries by financial creditors under the Insolvency and Bankruptcy Code (IBC) have dropped significantly in the past two years owing to the pandemic, resulting in larger haircuts for them. As of March 2022, financial creditors have recovered 33 per cent of the amount admitted as claims.</p>
4	<p><u>Committee Of Creditors are Competent to Revise the Approved Fees Of Resolution Professional</u></p> <p>NCLAT National Company Law Appellate Tribunal (NCLAT) principal bench, in the case of Kushwinder Singhal versus Reena Tiwari, held that the Committee of Creditors (COC) is fully competent to revise its earlier approval of the fees of the Resolution Professional (RP).</p>
5	<p><u>Under A Security Trustee Agreement, An Individual Lender Cannot Invoke Personal Guarantee Without Taking Consent Of Other Co-Lenders</u></p> <p>The National Company Law Tribunal ("NCLT") New Delhi (Special Bench) has held that invocation of personal guarantee can be done by a Security Trustee only after obtaining consent of all co-lenders under the concerned Security Trustee Agreement.</p>

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Others during the week

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

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

S. No	GENERAL NEWS
1.	<p><u>National Consumer Commission's Appellate Order Can Be Challenged Before High Court Under Article 227</u></p> <p>The Supreme Court has held that an order passed by the National Consumer Disputes Redressal Commission (NCDRC) in appeal under Section 58(1)(a)(iii) of the Consumer Protection Act 2019 can be challenged in a writ petition filed before a High Court under Article 227 of the Constitution.</p>
2.	<p><u>The Competition Commission of India and competition law may get a facelift soon</u></p> <p>The government is set to overhaul the Competition Act in the monsoon session of parliament and revamp the anti-trust watchdog Competition Commission of India (CCI) to regulate India's booming digital economy better. The ministry of corporate affairs has prepared the amendments, and inter-ministerial consultations are on before moving a bill to the cabinet for its clearance, a person familiar with the development said.</p>
3.	<p><u>MSME registrations on Udyam portal to touch 1-crore mark soon Online portal for registration of micro, small and medium enterprises</u></p> <p>(MSMEs) is soon likely to have 1 crore registrations, said Mercy Epao, Joint Secretary – SME Division, MSME Ministry, at an event organised by PHD Chamber of Commerce and Industry on opportunities for MSMEs in indigenization requirements of the Indian Air Force. Launched on July 1, 2020, after the reclassification of MSMEs, the Udyam portal had already registered 84.94 lakh MSMEs at the time of filing this report, according to the data from the portal. 80.95 lakh were micro units, 3.62 lakh were small enterprises, and only 36,364 were medium businesses out of the total registrations.</p>



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