

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC
Week 40 - September 27th 2021 to October 3rd 2021

1

Companies Act 2013 during the week

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

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	27/09/2021	Circular	<p>Extension of last date of filing of Cost Audit Report to the Board of Directors under Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014</p> <p>https://www.mca.gov.in/bin/dms/getdocument?mds=UxuGnG2gQZrVxQ%252Fz%252FehiFg%253D%253D&type=open</p>	<p>MCA notified that if cost audit report for the financial year 2020-21 by the cost auditor to the Board of Directors of the Companies is submitted by October 31, 2021 then the same would not be viewed as violation. Consequently, the cost audit report for the financial year ended on March 31, 2021 shall be filed in e-form CRA-4 within 30 days from the date of receipt of the copy of the cost audit report by the company. However, in case a Company has availed extension of time for holding Annual General Meeting, then e-form CRA-4 may be filed within the timeline provided under the act.</p>

S. No	NEWS ON MCA
	NIL

2

SEBI during the week

Act -0; Rules -0;Circulars–1;Regulations-0; General Orders – 0; Guidelines- 0

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
1	30/09/2021	Circular	Guidelines for Investment Advisers - Extension of timelines http://www.sebi.gov.in/legal/circulars/sep-2021/guidelines-for-investment-advisers-extension-of-timelines_53049.html	For the financial year ending March 31, 2021, the investment advisers (IA) are now required to conduct the annual compliance audit by December 31, 2021, (earlier 30 th September 2021) and submit the adverse findings of the audit, if any, by January 31, 2022 (earlier 31 st October 2021).

S. No	NEWS ON SEBI
1	<p>Foreign funds have opposed the SEBI plan to shift to a shorter T+1 settlement cycle. Three leading offshore fund lobby groups - the Asian Securities Industry and Financial Markets Association (ASIFMA), Traders Forum of Hong Kong and the UK based Investment Association - have sent a joint letter to SEBI chairman Ajay Tyagi alleging that they were not consulted on the new rules. They have asked the regulator to postpone implementation.</p>
2	<p>SEBI Board Meeting (September 28, 2021)</p> <p><u>The SEBI Board met on September 28, 2021 where it, interalia, approved the following:</u></p> <ul style="list-style-type: none"> • The framework for Gold Exchange and SEBI (Vault Managers) Regulations, 2021. • The creation of the Social Stock Exchange (SSE), under the regulatory ambit of SEBI, for fund raising by social enterprises (SE). • The proposal to amend the existing regulatory framework for delisting of equity shares pursuant to open offer as provided under the extant Regulation 5A of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The revised framework aims to make M&A transactions for listed companies a more rational and convenient exercise, balancing the interest of all investors in the process. • Relaxation in the eligibility requirements related to Superior Voting Rights (SR) Shares framework. The amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in relation to regulatory provisions on related party transactions (RPTs). The Investor Charter of SEBI for investors in the securities market. • The Investor Charter, inter-alia, includes the Vision statement of SEBI for investors. Mission statement, Rights and Responsibilities of

	<p>Investors, Do's and Don'ts for investors in securities market, etc.</p> <ul style="list-style-type: none"> The amendments to SEBI (Mutual Funds) Regulations, 1996 to enable introduction of Silver Exchange Traded Funds with certain safeguards in line with the existing regulatory mechanism for Gold ETFs.
3	<p>Risk Management Framework (RMF) for Mutual Funds: SEBI's new RMF terms risk management as an independent and specific function of the Asset management company (AMC). For each risk such as investment risk, compliance risk, operational risk, and cyber security the asset management company should appoint a dedicated risk officer. There should be a chief risk officer (CRO) in each asset management company. The RMF seeks to clearly define the roles of risk personnel and mention the same on the fund house's website. Though the CRO is responsible for the overall risk, along with the management, both board of AMC and trustees should also be responsible</p>
4	<p>Informal Guidance sought by Ambit Private Limited with respect to SEBI (Infrastructure Investment Trusts) Regulations, 2014</p> <p>Is allotment of units to natural persons pursuant to a preferential issue under the Preferential issue guidelines permissible, as InvIT regulations or the guidelines contain no restriction?</p> <p>Though the preferential issue guidelines are silent on the aspect of issuance of units by an InvIT on a private placement basis to individuals, under private placement basis an Inv IT may raise funds from Institutional Investors and Body corporates only. Therefore an offer and allotment by InvIT on private placement basis, whether initial or further can be made only to Institutional Investors and Body corporates.</p>
5	<p>SEBI extends relaxations for compliance with rights issues</p> <p>As per Issue of Capital and Disclosure Requirements norms, an application for a rights issue shall be made only through the ASBA facility. However, because of the COVID-19 pandemic and to ensure that all eligible shareholders can apply to rights issues during such times, Sebi had in May 2020 said that the issuer shall along with the lead manager to the issue, the registrar and other recognised intermediaries</p>

institute an optional mechanism (non-cash mode only) to accept the applications of the shareholders, subject to ensuring that no third-party payments shall be allowed in respect of any application. This relaxation has now been further extended and shall be applicable for rights issues opening up to March 31, 2022, Sebi said in a circular. This is subject to the condition that the issuer and lead manager ensure that the mechanism will only be an additional option and not a replacement of the existing process and has to be transparent, robust and have adequate checks and balances.

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RBI during the week

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

Press Release – 0

S. No	Date of Issue	Notifications/Mas ter Directions/Master Circulars	Subject & Link	Gist thereof
1	28/09/2021	Notification	Use of any Alternative reference rate in place of LIBOR for interest payable in respect of export / import transactions https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12168&Mode=0	AD banks have been permitted to use alternative reference rate in place of the LIBOR rate for interest payable in respect of export / import transactions.

S. No	NEWS ON RBI
	NIL

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
1	30/09/2021	Circular	<p>IBBI (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2021</p> <p>https://www.ibbi.gov.in/uploads/legalframework/57c7722e3ebb1364eac924f213111814.pdf</p>	<p>Gist of the amendment is given below</p> <ol style="list-style-type: none"> 1. Committee and members of the committee in discharge of its functions and exercise powers under the Code and regulations in respect of corporate insolvency resolution process, shall be in compliance with the guidelines as may be issued by the Board 2. Modification to expression of interest and resolution plan shall not be made more than once

				3. Challenge mechanism available with the stakeholders under the CIRP
2	30/09/2021	Circular	<p>IBBI (Liquidation Process) (Second Amendment) Regulations, 2021</p> <p>https://ibbi.gov.in/uploads/legalframework/dd230e9f5c38a981e646a3eba1354713.pdf</p>	<p>Gist of the amendments is given below</p> <p>Formation of a consultation committee known as stakeholders' consultation committee (SCC) to advise the liquidator on matters relating to sale.</p> <p>Scope of consultation to cover all aspects related to sale of assets and appointment of professionals.</p> <p>Board has made available an electronic platform at www.ibbi.gov.in for hosting public notices of auctions of liquidation assets of ongoing liquidation processes.</p> <p>Liquidator to intimate the reasons for rejection of the highest bid to the highest bidder and report the same in the next progress report</p>

S. No	NEWS ON IBC

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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				



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