

**WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC**

**Week 02-January 3 2022 to January 9 2022**

**1**

**Companies Act 2013 during the week**

**Rules -0; Circulars -0 ; Notifications-; 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>RoC Karnataka imposed total penalty of Rs. 1.5 crores on the company as well as on officers in default for not complying with the provisions relating to Private Placement Offer. Please find below non compliances recorded in the Order:</p> <ol style="list-style-type: none"> <li>1. Company missed to mention Section 42 in the extracts of Board Resolution and EGM resolution and Disclosure required under Rule 14 of PAS Rules 2014</li> <li>2. Failure by Company to pass special resolution and subsequently file MGT 14, before the issue of private placement offer cum application letter [Rule 14(8)]</li> <li>3. No separate bank account was opened for the purpose of receiving application money [Section 42(6)].</li> </ol>

2

### SEBI during the week

**Act -0; Rules -0; Circulars-4; Press Release-0; General Orders – 0; Guidelines- 0**

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
1	03/01/2022	Circular	<p>Schemes of Arrangement by Listed Entities - Clarification w.r.t. timing of submission of NOC from the lending scheduled commercial banks/ financial institutions/ debenture trustee</p> <p><a href="https://www.sebi.gov.in/legal/circulars/jan-2022/schemes-of-arrangement-by-listed-entities-clarification-w-r-t-timing-of-submission-of-noc-from-the-lending-scheduled-commercial-banks-financial-institutions-debenture-trustee-55166.html">https://www.sebi.gov.in/legal/circulars/jan-2022/schemes-of-arrangement-by-listed-entities-clarification-w-r-t-timing-of-submission-of-noc-from-the-lending-scheduled-commercial-banks-financial-institutions-debenture-trustee-55166.html</a></p>	<ul style="list-style-type: none"> <li>• SEBI vide circular dated January 03, 2022 provided clarity on the timing of submission of no objection certificate (NOC) from banks and financial institutions in respect of draft schemes pertaining to mergers and demergers filed by listed companies with the stock exchanges</li> <li>• The NOC from commercial banks/ financial institutions/ DTs shall be submitted before the receipt of the no objection letter from the stock exchange.</li> </ul>

2	03/01/2022	Circular	<p><b>Options on Commodity Futures – Modification in Exercise Mechanism</b></p> <p><a href="https://www.sebi.gov.in/legal/circulars/jan-2022/options-on-commodity-futures-modification-in-exercise-mechanism_55164.html">https://www.sebi.gov.in/legal/circulars/jan-2022/options-on-commodity-futures-modification-in-exercise-mechanism_55164.html</a></p>	<ul style="list-style-type: none"> <li>• SEBI vide circular dated January 03, 2022 has modified the exercise mechanism for options on Commodity Futures.</li> <li>• All <i>In the money</i> (ITM) option contracts shall be exercised automatically, unless ‘contrary instruction’ has been given by long position holders of such contracts for not doing so.</li> <li>• All <i>Out of the money</i> (OTM) option contracts shall expire worthless.</li> <li>• All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner.</li> <li>• The Circular shall be effective from the date of new series of commodity derivatives launched on or after February 1, 2022</li> </ul>
3	05/01/2022	Circular	<p><b>Increasing Awareness regarding Online Mechanisms for Investor Grievance Redressal</b></p> <p><a href="https://www.sebi.gov.in/legal/circulars/jan-2022/increasing-awareness-regarding-online-mechanisms-for-investor-">https://www.sebi.gov.in/legal/circulars/jan-2022/increasing-awareness-regarding-online-mechanisms-for-investor-</a></p>	<p>SEBI vide circular dated January 05, 2022 stated that Investors are encouraged to lodge their complaints through online mechanisms more specifically through SCORES portal and SCORES mobile application for effective redressal of grievances.</p>

			<a href="#">grievance-redressal 55192.html</a>	SEBI has asked the Stock exchanges to provide a link in their website to enable investors to lodge complaints with them directly and a link leading to the SCORES website and mobile app respectively to promote awareness.
4	07/01/2022	Circular	<p><b>Disclosure obligations of high value debt listed entities in relation to Related Party Transactions</b></p> <p><a href="https://www.sebi.gov.in/legal/circulars/jan-2022/disclosure-obligations-of-high-value-debt-listed-entities-in-relation-to-related-party-transactions_55225.html">https://www.sebi.gov.in/legal/circulars/jan-2022/disclosure-obligations-of-high-value-debt-listed-entities-in-relation-to-related-party-transactions_55225.html</a></p>	<ul style="list-style-type: none"> <li>• SEBI vide circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 has specified following disclosure obligations of listed entities in relation to Related Party Transactions with respect to specified securities:             <ol style="list-style-type: none"> <li>a) Information to be reviewed by the Audit Committee for approval of RPTs;</li> <li>b) Information to be provided to shareholders for consideration of RPTs and</li> <li>c) Format for reporting of RPTs to the Stock Exchange.</li> </ol> </li> <li>• SEBI vide its circular dated January 7, 2022 decided to make provisions of the above referred circular dated November 22, 2021</li> </ul>

				applicable to highvalue debt listed entities.
--	--	--	--	---

S. No	NEWS ON SEBI
1.	Markets regulator SEBI has notified the regulations, setting out the norms and obligations for vault managers who looks to provide vaulting services for the gold traded through electronic gold receipts (EGR) at the proposed gold exchanges. Under the new regulations, effective from December 31, 2021, every person looking to carry out the business of a vault manager would have to get themselves registered with SEBI.
2.	The Securities and Exchange Board of India (Sebi) will now send show-cause notices, summons, and orders to securities law offenders via instant messaging platforms such as WhatsApp, Telegram and Signal, a move that will make the processes speedier and efficient.

3

**RBI during the week**

**Notifications -3; Master Directions –0; Master Circulars –0; Circular -0;**

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	03/01/2022	Notification	<p><b>Framework for Facilitating Small Value Digital Payments in Offline Mode</b></p> <p><a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12215&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12215&amp;Mode=0</a></p>	<ul style="list-style-type: none"> <li>• The Reserve Bank of India Vide its Notification dated January 03, 2022 placed this framework and incorporated the feedback received from the pilot experiments on offline transactions conducted in different parts of the country during the period from September 2020 to June 2021. Offline mode of payment can be enabled only after obtaining specific consent of the customer.</li> <li>• Customers shall enjoy protection under the provisions of RBI’s limited customer liability circulars (as amended from time to time).</li> <li>• Customers also have recourse to the Reserve Bank</li> </ul>

				<p>– Integrated Ombudsman Scheme for grievance redressal. Offline transactions are expected to give a push to digital transactions in areas with poor or weak internet or telecom connectivity, particularly in semi-urban and rural areas.</p> <ul style="list-style-type: none"> <li>• The new framework is applicable with immediate effect.</li> </ul>
2	06/01/2022	Notification	<p><b>Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards and Net Stable Funding ratio – Small Business Customers</b></p> <p><a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12220&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12220&amp;Mode=0</a></p>	<ul style="list-style-type: none"> <li>• The Reserve bank of India vide its notification decided to enable banks to manage liquidity risk more effectively, it has been decided to increase the threshold limit for deposits and other extensions of funds made by non-financial Small Business Customers from `5 crore to `7.5 crore for the purpose of maintenance of Liquidity Coverage Ratio (LCR)</li> </ul>
3	Notification	05/01/2022	<p><b>Master Circular - Bank Finance to Non-Banking Financial Companies</b></p>	<ul style="list-style-type: none"> <li>• RBI has released the Master circular on Non-Banking Financial Companies(NBFC) to lay down the regulatory policy regarding financing of NBFCs</li> </ul>

			<p>(NBFCs)</p> <p><a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx#:~:text=Mast%20Circular%20%2D%20Bank%20Finance%20to%20Non%2DBank%20ing%20Financial%20Companies%20(NBFCs)">https://www.rbi.org.in/Scripts/NotificationUser.aspx#:~:text=Mast%20Circular%20%2D%20Bank%20Finance%20to%20Non%2DBank%20ing%20Financial%20Companies%20(NBFCs)</a></p>	<p>by banks.</p> <ul style="list-style-type: none"> <li>• Banks may extend need based working capital facilities as well as term loans to all NBFCs registered with RBI and engaged in infrastructure financing, equipment leasing, hire-purchase, loan, factoring and investment activities subject to certain restrictions provided therein.</li> </ul>
--	--	--	---	---

S. No	NEWS ON RBI
1.	The Reserve Bank has flagged concerns on the deteriorating credit quality in the retail books of lenders and warned that the retail-led model of selling credit, led by housing loans, is confronting headwinds now. Between April and the first week of December, credit disbursement grew to 7.1 per cent as against 5.4 per cent growth a year ago and 5.2 per cent in March 2021, according to the financial stability report released on Wednesday.



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.	The National Company Law Tribunal (NCLT) at Hyderabad ordered the insolvency process to be initiated against YSR Congress rebel MP K Raghu Rama Krishna Raju’s Ind-Barath Thermal Power company.
2.	At the heart of the bankruptcy proceedings of one of India's largest non-banking finance companies, SREI, and its subsidiary lies a lesser known asset management firm called Trinity, which runs multiple funds with diverse investments. Fearing that Trinity could slip out of control, the Reserve Bank of India (RBI)-appointed administrator has moved court to avert a change in the shareholding of Trinity Alternative Investment Managers Ltd.
3.	The government has started discussions to put in place a resolution mechanism to deal with insolvency of firms in the financial sector. A modified version of the Financial Resolution and Deposit Insurance (FRDI) Bill — which was withdrawn in 2018 due to its controversial provision of bail-in that was perceived as undermining safety of depositors — is being contemplated.

4.	The NCLAT, Principal Bench consisting of Justice Ashok Bhushan (Chairperson), Justice Jarat Kumar Jain (Judicial Member) and Dr. Alok Srivastava (Technical Member) held in the case of Kanchan Nanubhai Desai Personal Guarantor (Anoushka Medicare & Diagnostics Pvt. Ltd.) v. Finequest Financial Solutions Pvt. Ltd, that when an application is filed under Section 95, which is an application by the creditor to initiate insolvency resolution process for Individuals and Partnership Firms, the Adjudicating Authority (AA) need not to record any finding regarding 'default' in the order.
5.	The Chennai Bench of the National Company Law Appellate Tribunal (NCLAT) has stayed the order initiating Corporate Insolvency Resolution Process against Tata Projects Limited upon being informed that the parties have entered into a settlement agreement.

5

**Others during the week**

**NSE-0; BSE-0; DIPP-0; Finance Ministry-0; Others -2;**

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	04/01/2022	Notification	<p><b>Rule 9(1A) of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 shall not apply to the Foreign Portfolio Investor</b></p> <p><a href="https://egazette.nic.in/WriteReadData/2022/232403.pdf">https://egazette.nic.in/WriteReadData/2022/232403.pdf</a></p>	<p>As per Rule 9 (1A) of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 Every banking company, financial institution and Intermediary, as the case may be, shall determine whether a client is acting on behalf of a beneficial owner, identify the beneficial owner and take all reasonable steps to verify his identity."</p> <p>The Central Government in consultation with the regulatory authority, namely the Securities and Exchange Board of India, in the public interest and in the interest of the regulated entity, namely the Foreign Portfolio Investor, hereby directs that the provisions of sub-rule (1A) of rule 9 of the Prevention</p>

				of Money-laundering (Maintenance of Records) Rules, 2005 shall not apply to the Foreign Portfolio Investor
2	04/01/2022	Notification	<b>International Financial Services Centers Authority (Registration of Insurance Business) (Amendment) Regulations, 2021</b> <a href="https://egazette.nic.in/WriteReadData/2022/232424.pdf">https://egazette.nic.in/WriteReadData/2022/232424.pdf</a>	The International Financial Services Centers Authority made amendment to the International Financial Services Centers Authority (Registration of Insurance Business) Regulations, 2021 to provide Certificate from CA/CS/CMA, etc certifying that <b><u>all the requirements of the Act read with IFSCA (Registration of Insurance Business) Regulations, 2021 and notifications issued under section 2CA of the Act have been complied with by the Applicant.</u></b>

S. No	General News
1.	The consumer affairs ministry may drop contentious provisions that prohibit deep discounts and flash sales in the revised version of e-commerce rules that it plans to release soon. Such provisions would be dealt with in the revised e-commerce policy that the Department of Promotion of Industry and Internal Trade is preparing

<b>2.</b>	According to the Model Tenancy Act, the landlord and tenant will have to sign a written agreement specifying the rent, period of tenancy and other related terms. So, all the tenancy agreements will now be in writing. It proposes a three-tier quasi-judicial dispute adjudication mechanism. And no civil court will have jurisdiction over the matters. The Act also says that all the rent agreements will have to be registered with the Rent Authority
<b>3.</b>	Urban Development Minister Suresh Bhardwaj today launched the website of the HP Real Estate Regulatory Authority (RERA), <a href="http://www.hprera.nic.in">www.hprera.nic.in</a> , to facilitate all stakeholders and promoters through the digital medium.



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

[bhuvana.r@akshayamcorporate.com](mailto:bhuvana.r@akshayamcorporate.com) | [jayanth.v@akshayamcorporate.com](mailto:jayanth.v@akshayamcorporate.com)

[www.akshayamcorporate.com](http://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.*