

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 51–December 13th2021 to December 19th2021

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
NIL	

2

SEBI during the week

Act -0; Rules -0; Circulars–1; Press Release-0; General Orders – 0; Guidelines- 0

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
1	17/12/2021	Circular	<p>Revision to Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper</p> <p>https://www.sebi.gov.in/legal/circulars/dec-2021/revision-to-operational-circular-for-issue-and-listing-of-non-convertible-securities-securitised-</p>	<p>SEBI has amended the guidelines pertaining to listing of commercial paper (CP).</p> <ul style="list-style-type: none"> • Earlier details of credit rating letter issued not older than one month on the date of opening of the issue has to be given. Now the declaration that the rating is valid as at the date of issuance and listing has to be given instead. • For issuer company having less than 3 years of existence, declaration that issue is only to QIB

			debt-instruments-security-receipts-municipal-debt-securities-and-commercial-paper_54680.html	<p>has to be given.</p> <ul style="list-style-type: none"> Financial information pertaining to the years of existence, if the issuer has been in existence for less than three years has to be given instead of mandatory 3 years.
--	--	--	--	---

S. No	NEWS ON SEBI
1	<p>Informal Guidance of India infra debt Limited:</p> <p>As per recent amendment to LODR regulations in September 2021, Corporate governance provisions (R 15-R27) in LODR regulations are applicable in 'comply or explain' basis until March 2023 for debt listed companies.</p> <p>As per R 23 of LODR, all material RPTs require approval shareholders and related party shall not approve such resolution whether the entity is a related party to the transaction or not. This is applicable for all prospective RPTs and existing material RPTs are to be approved at first GM after notification.. Companies Act, provide exemption to company in which 90% or more members, are relative of promoters or related party, enabling related party to vote on RPTs.</p> <p>All the shareholders of India Infra debt Limited (IIDL), a debt listed entity, are identified as related parties and cannot vote on RPTs. In view of the exemption provided under CA 2013, IIDL requested to provide guidance on procedure for ratification of all material RPTs and</p>

prospective material RPTs.

IIDF falls under the category 'Comply or Explain'. Therefore the IIDF shall disclose the reasons of non-compliance / partial compliance and steps initiated to achieve full compliance in its quarterly compliance report.

3

RBI during the week

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

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

S. No	NEWS ON RBI
1	The Reserve Bank of India on has issued the Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs). The PCA framework for NBFCs comes into effect from October 1, 2022, based on their financial position on or after March 31, 2022. The framework will apply to all deposit-taking NBFCs, excluding government companies, and all non-deposit taking NBFCs in the middle, upper and top layers. The central bank will track three indicators — capital to risk-weighted assets ratio (CRAR), Tier I ratio and net non-

performing assets (NNPAs), including non-performing investments (NPIs). In the case of core investment companies (CICs), the RBI will track adjusted net worth/aggregate risk weighted assets, leverage ratio and NNPAs, including NPIs. A breach in any of the three risk thresholds under the above mentioned indicators could result in invocation of PCA. Based on the risk threshold, the RBI may prescribe mandatory corrective actions such as restriction on dividend distribution/remittance of profits, requiring promoters/shareholders to infuse equity and reduce leverage, and restriction on issue of guarantees or taking on other contingent liabilities on behalf of group companies (only for CICs). Further, the central bank may also restrict branch expansion, impose curbs on capital expenditure other than for technological upgradation within board approved limits and restrict/ directly reduce variable operating costs.

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

S. No	NEWS ON IBC
	NIL

5

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				



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.*