

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	14/02/2022	Circular	Relaxation on levy of additional fees in filing of e-forms AOC-4, AOC-4 (CFS), AOC-4 XBRL, AOC-4 Non-XBRL and MGT-7/MGT-7A for the financial year ended on 31.03.2021 under the Companies Act, 2013 https://www.mca.gov.in/bin/dms/getdocument?mids=dJwPZuhvXhaSatUCw9YnZA%253D%253D&type=open	<ul style="list-style-type: none"> •No additional fees shall be levied upto 15.03.2022 for the filing of e-forms AOC-4, AOC-4 (CFS), AOC-4 XBRL, AOC-4 Non XBRL for the financial year ended 31st March 2021. •No additional fees shall be levied upto 31.03.2022 for filing of e-forms MGT-7/MGT-7A for the financial year ended on 31st March 2021 respectively.

S. No	NEWS ON MCA
	NIL

2

SEBI during the week

Act -0; Report -0; Circulars-3; Press Release-2; Regulations – 0; Guidelines- 0

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
1	14/02/2022	Circular	<p>Standard Operating Guidelines for the Vault Managers and Depositories - Electronic Gold Receipts (EGR) segment</p> <p>https://www.sebi.gov.in/legal/circulars/feb-2022/standard-operating-guidelines-for-the-vault-managers-and-depositories-electronic-gold-receipts-egr-segment_56064.html</p>	<ul style="list-style-type: none"> • SEBI has issued Standard Operating Guidelines under Regulation 28 of SEBI (Vault Managers) Regulations, 2021 read with Regulation 97 of SEBI (Depositories and Participants) Regulations, 2018. • The Standard Operating Guidelines are laid down in Annexure-1 to this circular. • The modalities for deposit of gold, creation of EGR, withdrawal of gold and extinguishment of EGR are stipulated in Annexure-2 to this circular.

2	14/02/2022	Circular	<p>Trading features pertaining to the Electronic Gold Receipts (EGR) segment</p> <p>https://www.sebi.gov.in/legal/circulars/feb-2022/trading-features-pertaining-to-the-electronic-gold-receipts-egr-segment_56063.html</p>	<ul style="list-style-type: none"> SEBI has prescribed the guidelines on the various subjects as listed below with respect to Electronic Gold Receipts (EGR): <ol style="list-style-type: none"> Trade timings Transaction charges by stock exchanges, Call auction in pre-open session Block and bulk Deal Price Bandsetc. Investor Protection Fund (IPF) & Investor Service Fund (ISF) Unique Client Code (UCC).
3	15/02/2022	Press Release	<p>Union Finance Minister addresses Board Members of SEBI</p> <p>https://www.sebi.gov.in/media/press-releases/feb-2022/union-finance-minister-addresses-board-members-of-sebi_56074.html</p>	<ul style="list-style-type: none"> Finance Minister briefed about the major trends and outlook of Indian securities market, including fund raising activity, increased participation of individual investors, etc. While appreciating the initiatives taken by SEBI, Finance minister emphasized the need for the Regulator to take further steps to reduce compliance burden, reduce cost of market intermediation, take more investor protection measures, further develop the corporate bond

				<p>market, develop green bond market in the context of increasing focus on ESG investment, initiate next generation of reforms to improve ease of doing business and be prepared for the possible market turbulence on account of US Fed actions.</p>
4	15/02/2022	Press Release	<p>SEBI Board Meeting</p> <p>https://www.sebi.gov.in/media/press-releases/feb-2022/sebi-board-meeting_56076.html</p>	<p>Separation of role of Chairperson and MD/CEO</p> <ul style="list-style-type: none"> SEBI Board, in its meeting decided that the provision for separation of role of Chairperson and MD/CEO may not be retained as a mandatory requirement and instead be made applicable to the listed entities on a “voluntary basis”. Earlier, the top 500 listed companies by market capitalization had to mandatorily separate the role of the Chairperson and MD/CEO from April 01, 2022. SEBI Board approved amendment to SEBI (AIF) Regulations, 2012, providing flexibility to Category III AIFs to calculate the investment concentration norm based either on investable funds or net asset value of the fund while investing in listed equity of investee company

5	17/02/2022	Circular	<p>Corrigendum to Master Circular for Depositories dated February 05, 2021 on Opening of demat account in case of HUF</p> <p>https://www.sebi.gov.in/legal/circulars/feb-2022/corrigendum-to-master-circular-for-depositories-dated-february-05-2021-on-opening-of-demat-account-in-case-of-huf_56130.html</p>	<ul style="list-style-type: none"> • SEBI has issued a Corrigendum to its Master Circular for Depositories dated February 05, 2021 on Opening of demat account in case of HUF. • In the event of death of Karta of HUF, the name of the deceased Karta in the Beneficial Owner (BO) account shall be replaced by the new Karta appointed by the member of the HUF who in such a case shall be senior most member of the family. • The other provisions of the Master Circular will remain unchanged.
---	------------	----------	---	---

S. No	NEWS ON SEBI
1	<p>Informal Guidance sought by HDFC Securities Limited Regarding Securities contract regulations Rules, 1957</p> <p>Gist:</p> <p>HSL (HDFC Securities Limited) is a Registered investment advisor (RIA) , registered stock broker and depository participant(DP) with SEBI.</p> <p>HSL will provide advice to its customers by having tie up with third party investment Advisors and will earn distribution/referral fee for the same which does not involve personal financial liability.</p>

	<p>Q: (i) with reference to Rule 8 (3) (f) Securities Contracts (Regulations) Rules, 1957, Whether HSL acting as a broker/distributor, tie up with the third party RIA to offer their services to its Distribution clients.</p> <p>(ii) Will the interpretation change in case HSL does not receive any referral/distribution fees for the same, however, provides the said services to broking customers of HSL.</p> <p>A: As per Rule 8 (3) of SCRR, 1957</p> <p><i>No person who is a member at the time of application for recognition or subsequently admitted as a member shall continue as such if (f) he engages either as principal or employee in any business other than that of securities or commodity derivatives except as a broker or agent not involving any personal financial liability ;.....</i></p> <p>Since there is no personal financial liability, the referral activity will not be prohibited and HSL can act as broker/distributor and offer advice to customers by providing high standards of services and avoid conflicts.</p>
<p>2</p>	<p>INDUSTRY RAISES CONCERNS OVER SEBI'S RELATED PARTY TRANSACTION NORMS : India Inc has raised concerns over some of the new related party transaction (RPT) rules prescribed by market regulator Sebi which will come into effect from April this year. According to documents accessed by PTI, industry chambers Ficci and CII have suggested that the provisions be relaxed/clarified, observing that the amendments potentially prejudicially impact and disrupt the functioning of listed entities and affect ease of doing business.</p>
<p>3</p>	<p>Consultation paper on Disclosures for 'Basis of Issue Price' section in offer document under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Considering the increase in number of IPOs, SEBI has issued sought views of the stakeholders on Disclosure requirements for "basis of Issue Price". The comments may be sent by email to consultationcfid@sebi.gov.in latest by March 05, 2022.</p> <p>https://www.sebi.gov.in/reports-and-statistics/reports/feb-2022/consultation-paper-on-disclosures-for-basis-of-issue-price-section-in-offer-document-under-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018_56218.html</p>

3

RBI during the week

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

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	14/02/2022	Press Release	<p>Finance Minister addresses the Central Board of Directors of Reserve Bank of India</p> <p>https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53268</p>	<ul style="list-style-type: none"> The 593rd meeting of the Central Board of Directors of Reserve Bank of India was held on February 14, 2022 at New Delhi. Hon’ble Union Minister of Finance & Corporate Affairs outlined the thinking behind the Union Budget 2022-23 and the priorities of the Government. The Board in its meeting reviewed the current economic situation, global and domestic challenges.

2	15/02/2022	Notification	<p>Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications</p> <p>https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12230&Mode=0</p>	<p>RBI in its circular, has clarified the queries on prudential norms on income recognition, Asset Classification and Provisions pertaining to advances.</p> <p>“Out of Order” is applicable to all loan products being offered as an overdraft facility, including those not meant for business purposes and/or which entail interest repayments as the only credits.</p> <p>90 days period for determination of ‘out of order’ status of a CC/OD account shall be inclusive of the day for which the day-end process is being run.</p> <p>Borrowers having more than one credit facility from a lending institution, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.</p> <p>The requirements related to reporting of</p>
---	------------	--------------	--	---

				<p>information to CRILC, which will continue to be governed in terms of extant instructions for respective entities.</p> <p>Loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower. NBFCs shall have time till September 30, 2022 to put in place the necessary systems to implement this provision.</p>
3	18/02/2022	Notification	<p>New Definition of Micro, Small and Medium Enterprises – Clarification</p> <p>https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12233&Mode=0</p>	<p>RBI vide its circular clarified the queries In new definition of Micro, Small and medium Enterprises.</p> <ul style="list-style-type: none"> • The existing Entrepreneurs Memorandum (EM) Part II and Udyog Aadhaar Memorandum (UAMs) of the MSMEs obtained till June 30, 2020 shall remain valid till March 31, 2022. • The validity of documents obtained in terms of O.M. No.12(4)/ 2017-SME dated March 8, 2017 for classification of MSMEs upto June 30, 2020, are valid upto March 31, 2022.

S. No	NEWS ON RBI
1	RBI allows NBFCs to comply with new NPA norms : The Reserve Bank of India (RBI) on February 15, 2022 extended the deadline for Non-Banking Financial Companies (NBFCs) to comply with new asset classification norms issued on November 12. Non-bank lenders will now be allowed to move to the new rules for recognizing bad loans by September 30, 2022, as against March 31, 2022.

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>NCLT Approves Consolidated Insolvency For Two NBFCs : The Kolkata bench of the National Company Law Tribunal has approved consolidated insolvency proceedings for Srei Group's two non-bank lenders. Srei Infrastructure Finance Ltd. and Srei Equipment Finance Ltd. will face a consolidated insolvency proceeding under the same committee of creditors. The creditors were forced to consider a consolidated insolvency proceeding due to a business transfer agreement that the two NBFCs had approved without adequate consent from their respective lenders. Under this agreement, the lending businesses of Srei Infrastructure Finance were consolidated under Srei Equipment Finance. While there is no provision in the Insolvency & Bankruptcy Code for a group insolvency proceeding, the NCLT can approve such proposals by the creditors, for quicker resolution.</p>

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				

s.no	GENERAL NEWS
1	<p>LIC IPO: The government will sell 5 per cent of its stake in Life Insurance Corporation (LIC), through an initial public offering (IPO), of which 100 per cent is offer for sale. LIC filed its draft red herring prospectus (DRHP) with the market regulator SEBI.</p> <p>In the DRHP filed with the market's regulator SEBI, LIC has said that the government will offload 316.25 million shares of its over 6,325 million shares.</p>
2	<p>ED to launch money laundering probe against ABG Shipyard: The Enforcement Directorate (ED) is set to launch a money laundering probe against ABG Shipyard's erstwhile management and Directors under the Prevention of Money Laundering Laws (PMLA) for allegedly diverting "significant funds" out of the total Rs.22,800 crore fraud amount.</p>

3	<p>Government notifies Guidelines on Extended Producers Responsibility on plastic packaging under Plastic Waste Management Rules, 2016</p> <p>Ministry of Environment, Forest and Climate Change has notified the Guidelines on Extended Producers Responsibility on plastic packaging under Plastic Waste Management Rules, 2016. The guidelines on extended producer responsibility coupled with prohibition of identified single use plastic items, which have low utility and high littering potential, with effect from 1st July 2022, are important steps for reducing pollution caused due to littered plastic waste in the country.</p>
---	--



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.