

# Info Capsule

Monday  
April 11, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

## ❖ Ministry of Corporate Affairs

### **The Companies (Incorporation) Amendment Rules, 2022 (April 08, 2022)**

The Central Government notified the Companies (Incorporation) Rules, 2022, the said amendment rules inserted the proviso to Rule 12 (Application for Incorporation of Companies) : "Provided further that in case of a Company being incorporated as a Nidhi, the declaration by the Central Government under section 406 of the Act shall be obtained by the Nidhi before commencing the business and a declaration in this behalf shall be submitted at the stage of incorporation by the company."

Further, the amendment rules substituted the Form INC-20A and inserted a declaration under Part B of Form INC-32 (SPICE+) pertaining to, all necessary approvals have been obtained before commencing business of Nidhi, the said forms are specified under the annexure to the Companies (Incorporation) Rules, 2014.

For details:

<https://egazette.nic.in/WriteReadData/2022/234994.pdf>



THE INSTITUTE OF  
Company Secretaries of India  
भारतीय कम्पनी सचिव संस्थान  
IN PURSUIT OF PROFESSIONAL EXCELLENCE  
Statutory body under an Act of Parliament  
(Under the jurisdiction of Ministry of Corporate Affairs)



## ❖ Securities Laws & Capital Markets

### SEBI Circulars

- **Clarification on applicability of Regulation 23(4) read with Regulation 23(3)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to Related Party Transactions (April 08, 2022)**

In order to facilitate listed entities to align their processes to conduct AGMs and obtain omnibus shareholders' approval for material related party transactions (RPTs), it has been specified that the shareholders' approval of omnibus RPTs approved in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months. In case of omnibus approvals for material RPTs, obtained from shareholders in general meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year.

For details:

[https://www.sebi.gov.in/legal/circulars/apr-2022/clarification-on-applicability-of-regulation-23-4-read-with-regulation-23-3-e-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-in-relation-to-related-party-transactio-\\_57807.html](https://www.sebi.gov.in/legal/circulars/apr-2022/clarification-on-applicability-of-regulation-23-4-read-with-regulation-23-3-e-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-in-relation-to-related-party-transactio-_57807.html)

- **Standard Operating Procedures (SOP) for dispute resolution available under the stock exchange arbitration mechanism for disputes between a listed company and its shareholder(s)/ investor(s) (April 08, 2022)**

SEBI advised stock exchanges to put in place, Standard Operating Procedures (SOP) by June 01, 2022, for operationalizing the resolution of all disputes pertaining to or emanating from investor services such as transfer/transmission of shares, demat/remat, issue of duplicate shares, transposition of holders, etc. and investor entitlements like corporate benefits, dividend, bonus shares, rights entitlements, credit of securities in

public issue, interest / coupon payments on securities, etc. Further, in respect of disputes in above matters where Registrar and Share Transfer Agents (RTA) are offering services to shareholder(s)/ investor(s) on behalf of listed companies, the RTAs shall continue to be subjected to the stock exchange arbitration mechanism.

*For details:*

[https://www.sebi.gov.in/legal/circulars/apr-2022/standard-operating-procedures-sop-for-dispute-resolution-available-under-the-stock-exchange-arbitration-mechanism-for-disputes-between-a-listed-company-and-its-shareholder-s-investor-s\\_57805.html](https://www.sebi.gov.in/legal/circulars/apr-2022/standard-operating-procedures-sop-for-dispute-resolution-available-under-the-stock-exchange-arbitration-mechanism-for-disputes-between-a-listed-company-and-its-shareholder-s-investor-s_57805.html)

## **SEBI Press Release**

### **• SEBI Constitutes Working Groups for Mutual Funds (April 08, 2022)**

SEBI has constituted a Working Group under the Chairmanship of Mr. A. Balasubramanian, Managing Director & Chief Executive Officer of Aditya Birla Sun Life AMC Limited and Chairman, AMFI. The terms of reference of the Working Group, inter-alia, are to recommend an alternative set of eligibility criteria for entities to act as Sponsor; to review the existing eligibility requirements for being a Sponsor; to recommend mechanisms for addressing conflict of interest that may arise if pooled investment vehicles/ private equity act as Sponsor; and to examine the need for sponsor to dilute its stake in asset management company from the existing requirement of holding at least 40% of the net worth and the alternative pathways that may be adopted by the sponsors in this regard.

*For details:*

[https://www.sebi.gov.in/media/press-releases/apr-2022/sebi-constitutes-working-groups-for-mutual-funds\\_57780.html](https://www.sebi.gov.in/media/press-releases/apr-2022/sebi-constitutes-working-groups-for-mutual-funds_57780.html)

## **SEBI News**

### **• Cabinet approves signing of Bilateral Memorandum of Understanding (MoU) between Securities and Exchange Board of India and Financial Regulatory Commission, Mongolia (April 08, 2022)**

The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi, on April 08, 2022, has approved the proposal for signing a bilateral Memorandum of Understanding (MoU) between Securities and Exchange Board of India (SEBI) and Financial Regulatory Commission, Mongolia (FRC). FRC, like SEBI, is a co-signatory to International Organization of Securities Commissions' Multilateral MoU (IOSCO MMoU). However, the IOSCO MMoU does not have under its scope the provision for technical assistance. The proposed bilateral MoU would, in addition to contributing towards strengthening the information sharing framework leading to effective enforcement of securities laws, also help in establishing a technical assistance programme. The technical assistance programme would benefit the Authorities by way of consultations on matters relating to capital markets, capacity building activities and training programmes for the staff.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1814819>

## ❖ **International Business News**

### **Rajnath Singh Meets US Aerospace Giants Boeing and Raytheon Ahead Of India-US 2+2 Dialogue (April 11, 2022)**

India's Defence Minister Shri. Rajnath Singh met with the U.S. aerospace and defence giants Boeing and Raytheon and spoke on major policy initiatives in India. Shortly after reaching Washington DC on Sunday, April 10, 2022 India's Defence Minister Shri. Rajnath Singh met with the U.S. aerospace and defence giants Boeing and Raytheon and spoke on major policy initiatives in India. Concerning the same, he also exhorted the companies to take advantage of policy initiatives in India for steadily shifting from 'Make in India' towards 'Make for the World'.

*For details:*

<https://www.republicworld.com/business-news/international-business/rajnath-singh-meets-us-aerospace-giants-boeing-and-raytheon-ahead-of-india-us-2-2-dialogue-articleshow.html>

## ❖ **Technology and Automation**

### **Government mandates vehicles' fitness testing via Automated Testing Stations (ATS) in phased manner (April 07, 2022)**

The government has made fitness testing of vehicles through Automated Testing Stations (ATS) mandatory in a phased manner starting April next year. In an official statement, the Road Transport and Highways Ministry (MoRTH) said that fitness testing for heavy goods vehicles and heavy passenger motor vehicles through an ATS will be mandatory from April 01, 2023. An Automated Testing Station (ATS) uses mechanical equipment to automate the various tests required to check the fitness of a vehicle.

*For details:*

[https://www.business-standard.com/article/automobile/govt-mandates-vehicles-fitness-testing-via-ats-in-phased-manner-122040700675\\_1.html](https://www.business-standard.com/article/automobile/govt-mandates-vehicles-fitness-testing-via-ats-in-phased-manner-122040700675_1.html)

## ❖ **Business and Economic News**

### **Ruchi Soya renamed Patanjali Foods Ltd. (April 11, 2022)**

Patanjali-owned Ruchi Soya, in a BSE filing, stated that its board approved the changing of the company name to Patanjali Foods Ltd. The meeting was held on April 10, 2022. Ruchi Soya's recent FPO was oversubscribed 3.6 times. It received bids for 17.56 crore equity shares against the size of 4.89 crore equity shares on the final day. The retail quota, which constitutes 35 per cent of the issue, saw subscription of 90 per cent.

*For details:*

<https://www.businesstoday.in/latest/corporate/story/ruchi-soya-renamed-patanjali-foods-ltd-329347-2022-04-11>

## ❖ **Banking and Insurance**

- **RBI Monetary Policy Highlights : MPC continues with 'accommodative' stance, keeps repo rate unchanged (April 08, 2022)**

The Monetary Policy Committee (MPC) kept key repo rate unchanged but hiked the reverse repo rate by 40 bps to 3.75 percent on April 08, 2022 and emphasized on the need of withdrawal of accommodation in its first policy meeting of FY23. This is the eleventh time in a row that the MPC headed by RBI Governor Shri. Shaktikanta Das has maintained the status quo of repo rate.

*For details:*

<https://www.moneycontrol.com/news/business/economy/rbi-monetary-policy-live-updates-governor-shaktikanta-das-repo-rate-reverser-repo-rate-interest-rate-accommodative-neutral-inflation-growth-policy-8329931.html>

- **Big NBFCs to decide their own future : RBI Governor (April 09, 2022)**

Big Non-Banking Finance Companies (NBFCs) backed by industrial houses like Bajaj Finance, Shriram Transport Finance, Tata Capital, Aditya Birla Capital and Mahindra & Mahindra Financial Services have to find a way out of the tightening regulations as the Reserve Bank of India is unlikely to ease norms for them to convert into a bank or permitting them to merge into a bank like the way HDFC merged with HDFC Bank.

*For details:*

<https://economictimes.indiatimes.com/industry/banking/finance/banking/big-nbfc-to-decide-their-own-future-rbi-governor/articleshow/90735863.cms>

- **Finance Minister to meet PSBs heads on April 23 to nudge them for credit expansion (April 10, 2022)**

Finance Minister Nirmala Sitharaman is scheduled to meet heads of Public Sector Banks (PSBs) on April 23, 2022 to review performance of the lenders and progress made by them on various schemes launched by the government for revival of the economy battered by the pandemic.

*For details:*

<https://www.financialexpress.com/industry/banking-finance/fm-to-meet-psbs-heads-on-apr-23-to-nudge-them-for-credit-expansion/2487090/>

❖ **Terminology for today****Quote Stuffing**

Quote stuffing is the practice of quickly entering and then withdrawing large orders in an attempt to flood the market with quotes and cause competitors to lose time in processing them.

**Market Watch****Stock Market Indices as on  
11.04.2022**

S & P BSE Sensex	58964.57 (-482.61)
Nifty 50	17674.95 (-109.40)

**Foreign Exchange Rates as on 08.04.2022**

(<https://www.geojit.com/currency-futures>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
75.66	82.22	98.66	0.61

**Prepared by Directorate of Academics**

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