

Info Capsule

Monday
February 28, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ **Ministry of Corporate Affairs**

MCA to enter all complaints against cos in electronic registry; seeks to curb possible unauthentic communications (February 27, 2022)

In efforts to curb possible instances of unauthentic communications targeting stakeholders, the Ministry of Corporate Affairs has directed Registrars of Companies and Regional Directors to enter all complaints received against companies and LLPs in the ministry's electronic registry.

Once the details are entered in the electronic registry MCA21, then a Service Request Number (SRN) is generated for the particular complaint and going forward, the same will be used in all communications related to that case.

The ministry has informed all stakeholders that Registrars of Companies (RoCs) and Regional Directors (RDs) at all locations have been directed to enter all cases of complaints against companies and LLPs, inspections, inquiries, investigations and prosecutions in the MCA21 before issuing any letter, notice or order.

For details:

<https://economictimes.indiatimes.com/news/economy/policy/mca-to-enter-all-complaints-against-cos-in-electronic-registry-seeks-to-curb-possible-unauthentic-communications/articleshow/89867489>.



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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

- **Extension to SEBI Circular on “Relaxation in adherence to prescribed timelines issued by SEBI due to Covid 19” dated April 13, 2020 (February 25, 2022)**

SEBI has given the relaxation to intermediaries / market participants w.r.t. compliance with the prescribed timelines which has been extended to June 30, 2022 in view of the Covid-19 situation. The aforesaid relaxation shall be applicable for processing of the demat requests, processing of Remat requests, processing of transmission requests, processing of request for issue of duplicate share certificates etc. Accordingly, the intermediaries / market participants are advised to take an additional 30 days over the prescribed timelines for completion of service requests as mentioned above.

For details:

https://www.sebi.gov.in/legal/circulars/feb-2022/extension-to-sebi-circular-on-relaxation-in-adherence-to-prescribed-timelines-issued-by-sebi-due-to-covid-19-dated-april-13-2020_56425.html

- **Swing pricing framework for mutual fund schemes – Extension of timeline (February 25, 2022)**

Based on the request received from Association of Mutual Funds in India (AMFI), SEBI has extended the implementation date of swing pricing framework for mutual fund schemes to May 1, 2022. In September 2021, SEBI introduced the swing pricing framework for open ended debt mutual fund schemes (except overnight funds, Gilt funds and Gilt with 10-year maturity funds), to protect investors in debt mutual funds. Swing pricing is a mechanism that imposes certain cost on exiting investors (since they are contributing to a downward spiral in NAV) while incentivizing entering investors (since they are helping to stem the downward spiral in NAV).

For details:

https://www.sebi.gov.in/legal/circulars/feb-2022/swing-pricing-framework-for-mutual-fund-schemes-extension-of-timeline_56423.html

- **Approach to securities market data access and terms of usage of data provided by data sources in Indian securities market (February 25, 2022)**

In order to further enhance the quantum as well as the ease of accessibility and usability of data disseminated in public by various data sources in Indian securities market, including the MIIs (Stock and Commodity Exchanges, Clearing Corporations and Depositories etc.), SEBI, through its Market Data Advisory Committee (MDAC), reviewed the extent of free access and usage of data being provided in the public domain or otherwise by the respective sources of data in Indian securities market. Keeping in view the deliberations and recommendations of MDAC on this issue, all market intermediaries including the other data sources in Indian securities markets are advised that *such data should be made available to users, 'free of charge' both for 'viewing' the data as also for download in the format as specified by regulatory mandate for reporting, as well as their usage for the value addition purposes.*

For details:

https://www.sebi.gov.in/legal/circulars/feb-2022/approach-to-securities-market-data-access-and-terms-of-usage-of-data-provided-by-data-sources-in-indian-securities-market_56420.html

SEBI News

- **Madhabi Puri Buch appointed as SEBI chairperson (February 28, 2022)**

Madhabi Puri Buch has been named the chairperson of Securities and Exchange Board of India (SEBI), the first woman to head the capital market regulator as the tenure of incumbent Ajay Tyagi ends on February 28.

Madhabi Puri Buch, a former SEBI Whole Time Member, was previously nominated to lead a new technology committee set up by the market regulator.

She was not only the first woman as WTM of SEBI, but also the first person from the private sector as well. She started her career with ICICI Bank, went on to become MD and CEO at ICICI Securities from Feb 2009 to May 2011.

For details:

<https://www.moneycontrol.com/news/business/markets/madhabi-puri-buch-appointed-as-sebi-chairperson-8172711.html>

Market Watch

Stock Market Indices as on 28.02.2022

S & P BSE Sensex	56247.28 (+388.76)
Nifty 50	16793.90 (+135.50)

Foreign Exchange Rates as on 25.02.2022

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
75.13	84.32	100.66	0.65

❖ **Banking and Insurance**

• **Government to provide capital support mostly to weak PSBs (February 27, 2022)**

Weak public sector lenders like Central Bank of India and Punjab & Sind Bank will get the lion's share of the Rs. 15,000 crore earmarked for capital infusion in state-owned banks for the current fiscal. This will help these Public Sector Banks (PSBs) meet regulatory requirements. The capital infusion of Rs. 15,000 crore would go mostly to banks which had got money through non-interest-bearing bonds in the previous year as the RBI had raised some concerns on the fair valuation of these instruments, sources said.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/govt-to-provide-capital-support-mostly-to-weak-psbs/articleshow/89869274.cms>

• **RBI may conduct VRR auctions in March (February 27, 2022)**

The Reserve Bank of India (RBI) may conduct a series of Variable Rate Repo (VRR) auctions for the better part of March, to deal with possible liquidity outflows from the banking system arising from banks participating in a scheduled forex swap, reversal of a forex swap conducted three years back, and enhanced Treasury Bill auctions, among others.

For details:

<https://www.thehindubusinessline.com/money-and-banking/rbi-may-conduct-vrr-auctions-in-march/article65090514.ece>

❖ **Ethics and Governance News**

Ashneer Grover loses arbitration against governance review at BharatPe (February 27, 2022)

BharatPe co-founder and managing director Ashneer Grover has lost an arbitration that he had filed against the company's investigation against him, with an emergency arbitrator holding that there was no ground to stop governance review at the fintech firm, sources said.

For details:

<https://indianexpress.com/article/business/ashneer-grover-loses-arbitration-against-governance-review-at-bharatpe-7793368/>

❖ ***Insolvency and Bankruptcy***

Bankrupt firms: Third-party litigation funds eyeing interim finance space (February 26, 2022)

Third-party litigation financing is increasingly becoming a new instrument in the hands of the resolution professionals (RPs) of bankrupt companies, as they explore ways to fund operations till a new owner takes over the company or the assets get liquidated. During the CIRP period, to keep the bankrupt company a 'going-concern', RP has to make payments such as professional fees, payments to workmen and towards the maintenance of the plant and machinery among others. In most cases, such expenses are taken care of by the lenders.

However, when the lenders are unwilling to allocate funds to run the bankrupt company, the RP leans on third parties for interim finance. When the resolution plan is approved or a company goes into liquidation, such costs, including the remuneration of the insolvency professional, take precedence for payment over secure financial creditors or any other lenders.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/bankrupt-firms-third-party-litigation-funds-eyeing-interim-finance-space/articleshow/89856594.cms>

❖ ***Business and Economic News***

Reliance Takes Control of Future Retail Stores, Offers Jobs to Employees (February 26, 2022)

Reliance Industries has effectively taken over the operations of Future Retail stores and has offered jobs to its employees, even as the Kishore Biyani-led group is locked in a bitter battle with e-commerce major Amazon at several judicial forums over the sale of its business to the retail arm of the oil-to-telecom conglomerate. Reliance Retail has started to take possession of the premises in which Future Retail is operating its stores such as Big Bazaar and replaced them with its brand stores, said sources close to the development.

For details:

<https://www.ndtv.com/business/reliance-takes-control-of-future-retail-stores-offers-jobs-to-employees-2790787>

❖ *Technology and Automation*

Telecommunication Engineering Centre (TEC) initiates fairness assessment of Artificial Intelligence/ Machine Learning Systems to build public trust (February 25, 2022)

Telecommunication Engineering Centre (TEC), the technical arm of DoT has invited inputs for developing a framework for fairness assessment of Artificial Intelligence (AI)/ Machine Learning (ML) Systems with the aim of building public trust in AI/ ML Systems.

Artificial Intelligence and Machine Learning applications are increasingly being used in all domains such as Healthcare, Agriculture, Smart Cities, Smart Homes, Finance, Defence, Transport, Logistics, Natural Language Processing, Surveillance, and so on. Various Government Organisations are also using AI/ ML Systems for delivery of public services and e-governance.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1801110>

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu

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