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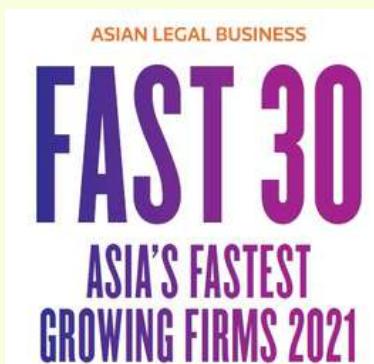
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Yes, you heard it right, we have launched our podcast channel "**The Clasis Law Podcast**" wherein we discuss about the latest and trending legal issues and a lot more.

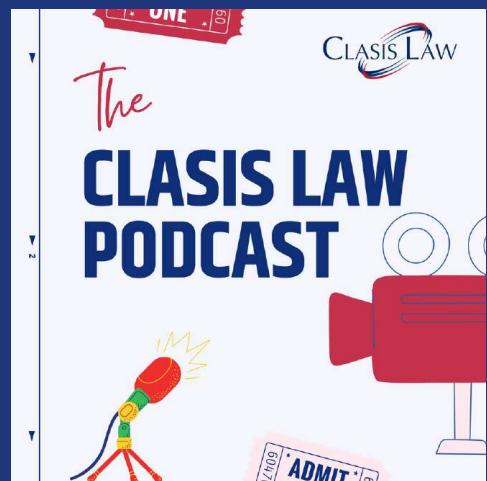
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7. [Introduction to Initial Public Offer \(IPO\)](#)
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THE COST OF WAR - RUSSIA'S INVASION ON UKRAINE



"The strongest of all warriors are these two; Time and Patience" - Leo Tolstoy, War And Peace

Introduction

Post the break-up of the Soviet Union Socialist Republic (**USSR**), Russia was facing financial hardship but under the leadership of their President the scenario started to change and over the years Russia has become one of the strongest countries in the world and is nowadays seen as a giant which happens to be one of the largest producers of oil in the world.

Russia's neighbouring countries have also started to gain strength and existence within the political world. This has led to the on-going attack by the armed forces of Russia on 24 February 2022 on the orders of President Vladimir Putin against Ukraine.

Different countries have their own respective stance on the war, while some seem to be in support of it, some seem to be against it, while others are acting neutral.

Reason for the war

The major reason behind the war occurring revolves around Ukraine's intension of wanting to become a member of *North Atlantic Treaty Organization* (**NATO**). Many countries are a part of NATO, some of them being USA, UK, France, etc. Ukraine was desirous of becoming a part of the organization and NATO was also keen on giving membership to Ukraine.

THE COST OF WAR - RUSSIA'S INVASION ON UKRAINE

This want of Ukraine to be a part of NATO has ignited sparks of friction between Russia and Ukraine as this step would allow other foreign country's footprints very close to the border of Russia. Additionally, if Ukraine becomes a member of NATO then it will allow Ukraine to take the support of other member countries in case of an external attack on Ukraine as NATO considers an attack against one member as an attack against all its members. It is for these reasons that the conflict between the two nations has intensified.

Effects of the on-going war

The war between Russia and Ukraine has been on-going for longer than anticipated and the longer it continues the graver the effects shall be not only in these respective countries but all round the world.

The world was just seeming to recover slowly and gradually from the financial instability caused by the COVID-19 pandemic, when this war occurred and once again hampered the financial growth globally. The major effects of the on-going war are as follows:

- (a) **Increase in oil price** – Various countries in and outside of Europe depend on Russia for oil and the war has resulted in hike of the price of oil. The price rise is likely to continue post the war as well due to the various sanctions which have been imposed on Russia by different countries all around the world.
- (b) **Impact on trade** – The trade between countries have been impacted and that has resulted in scarcity of resources. Various products and goods are not available due to trade relations being hampered and the sanctions which have been imposed by various countries is definitely not helping the problem.
- (c) **Crash in economy** – The Russian economy has come crashing down and the value of Rubel (the currency of Russia) has definitely taken a hit. The Russian economy has been majorly impacted due to the economic sanctions which have been imposed by various countries all over the world.
- (d) **Hike in price of metals** – Russia as well as Ukraine are leaders in the global market in terms of manufacturing and production of metals such as nickel and copper. These metals are required in many industries and an increase in its price has caused losses to industries where this metal is required.

In addition to the above Russia is also a major supplier of titanium to many countries like UK, USA and others for the aeronautic industry. Various companies are having to find alternate sources for the supply of these metals so as not to face hindrances in meeting their target dates due to the increase in prices.

- (e) **Relations impacted with various countries** – The equation of Russia with various foreign countries has been negatively impacted as most of the countries are against the decision of Russia attacking Ukraine.

Where it comes to India, the impacts of the war can be seen majorly in the following sectors:

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(a) **Defence sector** - India is one of the largest buyers of defence equipment from Russia. Russia and India have entered into an agreement for military technology co-operation from 2021-2031. Russia owes orders worth USD 9 billion to India. The ongoing war might result in a delay in Russia meeting the deadlines as the economy of Russia has been severely impacted by the war.

(b) **Oil sector** - India imports a few billion dollar's worth of crude oil from Russia in a year and the fact that the price has reached USD 125 a barrel and continues to rise in different parts of the world will definitely impact the price of crude oil in India over a period of time once the oil reserves start to decrease.

(c) **Pharmaceutical sector** - India largely exports pharmaceutical products to Ukraine and is the third largest exporter of pharmaceuticals to Ukraine. Various Indian pharmaceutical companies like Sun Pharma have a strong presence in Russia and Ukraine. However a hindrance may occur in the distribution right due to the shutdown in Russia and the pharmaceutical sector and sectors which depend on it may become vulnerable.

These are only some of the major effects of the war which can be seen and predicted within the Indian market but in the coming days the effects of the war will definitely be seen in a graver manner spread over various different areas.

Sanctions imposed by various countries

Various countries have imposed sanctions on Russia in order to curtail Russia's involvement in the war however despite the sanctions being imposed by several countries against Russia, it continues to fight the war. Some of the Countries which have imposed sanctions on Russia are European Union, Japan, Canada, Germany, the United States of America, United Kingdom and various others. These sanctions majorly are targeting banks, oil refineries and military exports. The basic goal behind countries imposing these sanctions is to hinder the economy of Russia which would eventually hinder its spending capacity on arms/ammunition and the war.

Some of the sanctions are as follows:

- USA has banned import, export, sale of goods or services from regions of Russia. In addition to that USA also has banned some Russian state-owned companies for raising capital within the country. It has also closed off its airspace to Russia.
- European Union has blacklisted certain Russian politicians and officials. Along with that all Russian planes have been banned from European Union airspace and airports. It has also stopped the shares of Russian companies from being listed on the European Union stock exchanges.
- UK has imposed sanctions on certain Russian banks. They have also imposed sanctions on certain Russian high net-worth individuals (including Roman Abramovich and Oleg Deripaska) and the assets held by these individuals in UK have been frozen and they shall be not allowed to enter UK.

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- Germany suspended the gas flow of 2 natural gas pipelines which go through it from Russia to Europe.
- Canada has banned all financial dealings with the Donbass region. In addition to that it has also imposed sanctions on Russian Banks.
- Russia's central banks assets have been frozen by many of the western countries so that they are unable to use the reserves.
- Various countries have removed many Russian banks from the list of the Society for Worldwide Interbank Financial Telecommunication or SWIFT so as to restrict free transfer of money across borders.

India is trying its level best to resolve and neutralize the matter by deliberating with the leaders of both the countries. India has been focusing on making constant evacuation missions so as to evacuate Indian students from Ukraine and till now India has evacuated approximately 16,000 Indians from Ukraine.

Conclusion

While the war continues, Russia and Ukraine will continue to face losses but over the period of time the effects of the war are being noticed in various different countries around the world including India. The biggest impact has been felt in the military, oil and metal sector.

The war continues to go on and no one knows when it shall end and when shall peace be restored once again but all countries should come together in order to stop the war from continuing because the more it continues the higher the losses would be. In addition to other countries various international organizations should also try their level best to restore peace in Ukraine so that innocent civilians are not paying the price of war.

GUEST ARTICLE



FINTECHS IN INDIA: LEGAL OVERVIEW

*By - Ms. Poorvisha Jindal,
Legal Counsel
Monech*

EMERGING TREND OF FINTECH IN INDIA

With Shark Tank India, being the hottest topic of discussion amongst youngsters, teenagers and adults, fintech is no longer a new term. The reality show fairly opened the eyes of general public towards the utility and concept of fintech in India and this is the future of India. Fintech industry is blooming more than ever and is becoming difficult for regulators to keep up with the latest technological developments.

Since fintech is growing, potential threats like frauds, breaches, and danger to cybersecurity are also on the rise. New payment systems and models can compromise security and market integrity. New products and services might be sold to customers who do not realize the risks or cannot provide to meet them. Blockchain, crowdfunding, and distributed ledger technology (DLT) are also developing the dangers of frauds and hacks.

EXISTING REGULATIONS IN INDIA ON FINTECH

Fintech or rather start ups are fairly a new concept in India which has seen an immense growth in last few years not only in terms of starting up of new fintech but also in the area of government support and control and thus the regulatory landscape of the fintech sector in India is highly fragmented. There are no particular set of laws and regulations governing fintech services and products in India. However, they are governed by multiple laws whose application depends upon the goods and services:

- **Payment and Settlement Systems Act (2007):** This law is the principal legislation, governing the payments regulation in India. This act prohibits the initiation and operation of any 'payment system' in India without prior authorization of RBI. Payment structures include credit and debit card operations, smart card operations, money transfers, and PPIs.
- **Guidelines regulating P2P Lending Platforms:** Peer-to-Peer Lending Platform Directions of 2017 prescribe the lender exposure norms and borrowing limits concerning the operations of P2P lending platforms in India. The leading player to be governed under this direction includes postpe.
- **NCPI Regulations regarding UPI payments:** The UPI Procedural Guidelines, issued by the NCPI, regulate the UPI payments in India. According to this framework, money transfer services through UPI platforms have to be generated by the banks. Banks can engage technology providers to carry out the operation of mobile applications for UPI payments but under the eligibility criteria and prudential norms as prescribed by the NCPI.

GUEST ARTICLE

- **NBFC Regulations:** The Reserve Bank of India Act of 1934 governs all NBFCs. According to its regulations, any organization providing fintech services in India will have to be registered by the RBI. According to section 45-IA of the RBI Act, no NBFC can initiate or carry on the business of a non-banking financial institution without obtaining the certificate of registration from RBI.
- **Regulations governing Payment Banks:** The payment banks do operate as a bank but function on a smaller scale. It cannot provide loans or issue credit cards. These banks are registered as private limited companies and licensed under section 22 of the Banking Regulations Act of 1949. Specific licensing conditions restrict the banks' activities, especially for the acceptance of demand deposits and on payment and settlements.
- **Regulation of Payment Intermediaries by the RBI:** The Directions For Opening And Operation Of Accounts And Settlement Of Payments For Electronic Payment Transactions Involving Intermediaries ("2009 EPT Directions") were issued by the RBI in November 2009 under section 18 of the P&SS Act with a view to safeguard the interests of the customers and to ensure that the payments made by them are duly accounted for by the intermediaries receiving such payments and remitted to the accounts of the merchants who have supplied the goods and services without undue delay.

With the emerging business of fintech industry, these fragmented laws are not sufficient and capable to provide customer and user protection inspite that there is availability of protection under consumer protection act. This industry still requires greater reforms in order to create business structures that actually solve problems of the user and creates a wholistic fintech industry in India.

FUTURE OF FINTECH IN INDIA

The Reserve Bank of India's Framework for Recognition of Self-Regulatory Organisations for PSOs is likely to be key in safeguarding the security and quality of PSO services in India. Creation of the NUEs in the retail sector is also likely to affect the operation of FinTech specifically in the retail sphere.

The Government has set up a committee to devise a framework for regulating non-personal data which has recently released its Report on Governance of Non-Personal Data, proposing a legislation for regulating non-personal data and creation of a separate statutory authority. It is intriguing to know that one of the key propositions of the report is to mandate the sharing of non-personal data for sovereign, public interest and economic purposes.

In addition to this parallelly, India's first comprehensive data protection framework under the Personal Data Protection Bill 2019 is also under pen of the legislature Since financial information is currently within the scope of the Bill, FinTech companies and financial institutions are likely to be imposed with more stringent obligations in relation to data protection once the Bill is in force.

Disclaimer - *The views expressed here are of the author alone and readers should not act on the basis of this information without seeking professional legal advice.*

LEGAL UPDATE



Is financial difficulty a ground for condonation of delay in filing an Appeal from Order?

Introduction

The Gujarat High Court in its recent judgement in the case of *Nandlal Namdev Otwani vs Vijay Jayprakash Ahuja*(1) has held that if a party is able to show bonafide financial difficulty to challenge an impugned order, it can be considered as one of the grounds for condonation of delay in filing Appeal from Order.

Brief facts

In the instant case, the grandfather of Mr. Vijay Ahuja (the "**Respondent**") was the owner of the suit property which was ancestral property. The Respondent's grandfather passed away in the year 2005. The suit property was sold by the Respondent's father, Mr. Jayprakash Ahuja to Mr. Nandlal Otwani (the "**Applicant**") being the Karta on March 15, 2011 by way of a registered Sale Deed when the Respondent was still a minor. The Respondent upon turning major filed a Civil Suit contending that the suit property being an ancestral property, the Respondent had a right in the undivided share in the property by birth as Coparcener. The Trial Court by way of interim order dated November 20, 2018 restrained the Applicant to sale/transfer and/or create any third party interest in the suit property (the **impugned order**). The Applicant intended to file an Appeal against the impugned order, however, failed to do so within the stipulated limitation incurring a delay of 399 days. The Applicant thus preferred the present application for condonation of delay in filing the Appeal against the impugned order.

Submissions by the Parties

The Applicant submitted that due to financial difficulties, he was unable to file an appeal against the impugned order.

In order to buttress his financial crunch, the Applicant produced his financial records such as bank statements, loan sanctioned letters and other documents before the Hon'ble Court. The Applicant further contended that he has a good case on merits and if the application is not allowed, it would cause grave injustice.

In response, the Respondent submitted that the Applicant had not explained the delay properly and adduced insufficient evidence to prove his claim. Thus, the application is required to be dismissed. The Respondent further relied on the affidavit filed in the present proceeding which stated that the Applicant intended to create a third party interest in the suit property and the same would frustrate the suit before the Trial Court. Thus, the application was bound to be dismissed. The remaining Respondents also resisted the Application on similar grounds.

Observations of the Court and Conclusion

At the outset, the Court made it clear that the merits of the case were not required to be considered as the present application was filed for condonation of delay. Further, the Court observed that pursuant to various Supreme Court judgements, condonation of delay is at the discretion of the court and Section 5 of the Limitation Act, 1963 ("the Act") does not prescribe any specific time limit till which the delay can be condoned.

After considering the submissions made by both the parties, the court held that the case of the Applicant was fit for condonation. The court observed that "*considering the prevalent economy condition of the parties as well as even of the Country, the financial crisis can be considered to be one of the grounds for condonation of delay. The pivotal point of consideration would be whether the parties concerned has taken dilatory tactics in proceeding with the matter for initiated any proceedings or whether there is a malafide on his part or not. If there is a malafide attributed and established against the party concerned,*

LEGAL UPDATE

then definitely even shortest delay cannot be condoned." The Court held that it cannot be presumed that a person against whom an interim injunction is operating would adopt dilatory tactics except in case of compelled circumstances or circumstances out of his control.

Thus, the Applicant has made out a case for condonation of delay of 399 days. The Court further clarified that allowing the application of the Applicant would not affect the interim injunction against the Applicant, and no injury would be caused to the Respondent as a mere appeal from the order would not affect their possession.



(i) CIVIL APPLICATION NO. 941 of 2020 in
APPEAL FROM ORDER NO. 3989 of 2020

JUDGEMENTS

In the matter of M/S Gopuram Enterprises Limited ("Company") for non-appointment of Company Secretary

In the present case, the Company being an unlisted public limited company with a paid-up capital of INR 77,814,060 failed to appoint a whole-time company secretary within 6 months from the date of casual vacancy, i.e. June 28, 2019 in accordance with Section 203(4) of the Companies Act, 2013. The Company should have appointed a Company Secretary by December 29, 2019. With effect from April 1, 2020 when the limit of paid up share capital for appointment of Company Secretary increased from INR 5 Crore to INR 10 Crores, the requirement to appoint a Company Secretary was no longer applicable on the Company. Hence, the Company contravened the aforesaid provisions for a period of 94 days from December 29, 2019 to March 31, 2020.

The Registrar of Companies, Tamil Nadu ("ROC") after examining the default, passed the adjudication order dated November 25, 2021 and imposed a penalty of INR 500,000 on the Company and INR 144,000 on director in default. The Company and its Directors filed an appeal to the Regional Director, Southern Region ("Regional Director"), against the aforesaid order pleading that the delay had occurred due to unavoidable circumstances and was unintentional. The Regional Director set aside the order passed by the ROC and reduced the penalty from INR 500,000 to INR 50,000 imposed on the Company and from INR 414,000 to INR 15,000 imposed on director in default.

[Read More](#)

In the matter of Mr. Parag Sheth, Liquidator of M/s Maxroth Impex Private Limited [In Liquidation] for attaching uncertified e-form MGT-7 with e-form GNL-2

In the present case, e-form MGT-7 i.e., annual return filed by the Liquidator of M/s Maxroth Impex Private Limited [In Liquidation] ("Company"), attached with e-form GNL-2 for the financial year ended March 31, 2019, was not certified by a Company Secretary in practice in accordance with the applicable provisions of the Companies Act, 2013 ("Act"). In this regard, the Registrar of Companies & Adjudicating Officer, Gujarat, Dadra and Nagar Haveli ("ROC"), issued Adjudication notices to the official Liquidator and thereafter to the authorized representative of

the Liquidator of the Company as per requirement of Companies (Adjudication of Penalties) Rules, 2014.

Upon hearing of the case, the Authorized Representative of the Liquidator submitted that the omission was not willful and it was due to inadvertence which lead to default under Section 92(1) of the Act. After considering the facts and circumstances of the case, the ROC imposed a penalty of INR 10,000 upon the liquidator of the Company for failure in complying with the aforesaid provision of the Act.

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In the matter of M/s Raspberry PI Educational Services Private Limited ("Company") for delay in issuance of share certificates to the subscribers to the memorandum

In the present case, the Company incorporated on February 27, 2021, was required to issue share certificates to the subscribers to the memorandum within two months from the date of incorporation; i.e. by April 27, 2021 in accordance with the provisions of section 56 (4) of the Companies Act, 2013, (Act). However, share certificates were issued to the subscribers to the memorandum on May 27, 2021, leading to delay of 30 days in issuance of share certificates. The Company and its Directors filed a suo-moto application in form GNL-1 with the Registrar of Companies, NCT of Delhi & Haryana, ("ROC") for adjudication of penalty under the provisions of Section 454 of the Act and it was pleaded that non-compliance was neither wilful nor mala fide and beyond the Company's control. The ROC after considering the facts and circumstances of the case along with submissions made by the representative of the Company, imposed a penalty of INR 50,000/- on the Company and penalty of INR 50,000/- on each director, aggregating to INR 200,000/-.

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In the matter of M/s Rategain Travel Technologies Limited ("Company") for delay in filing of return of allotment in form PAS-3 with Registrar in case of private placement of securities

The Company made private placement for 240 partly paid up equity shares and out of which 160 partly paid up equity shares were allotted to company executives on March 8, 2021. In terms of provisions of section 42 (8) of the Companies Act, 2013 (""), the Company was required to file with the Registrar of Companies, NCT of Delhi & Haryana ("ROC") a return of allotment in form PAS-3 within 15 days of allotment. However, the return of allotment was

JUDGEMENTS

filed on April 10, 2021 thereby resulting in a delay of 19 days. The Company and its Directors filed a suo-moto application in form GNL-1 with the ROC for adjudication of penalty under the provisions of section 454 of the Act and it was pleaded that non-compliance was inadvertent in nature.

The ROC after considering the facts and circumstances of the case along with submissions made by the representative of the Company, imposed a penalty of INR 19,000/- on the Company and penalty of INR 19,000/- on each director, total amounting to INR 57,000/-.

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CORPORATE REGULATORY UPDATES

Guidelines on accounting with respect to Indian Accounting standards

On 4 February 2022, Securities and Exchange Board of India ("SEBI") issued a circular on the guidelines for accounting with respect to Indian Accounting standards ("IND AS"). SEBI via an earlier notification dated 25 January 2022, amended the SEBI (Mutual Funds) Regulations, 1996 ("MF Regulations") which mandated that Asset Management Companies ("AMCs") shall prepare financial statements and accounts of mutual fund schemes in accordance with the IND AS with effect from 1 April 2023. Therefore, the following requirements have been specified in this current circular:

(a) Opening balance sheet as on the date of transition and the comparatives as per the IND AS requirements shall be prepared by the Mutual fund Schemes.

(b) As per Clause 6 of the Eleventh Schedule of MF Regulations perspective historical per unit statistics require disclosure of scheme wise per unit statistics for past 3 years. Although, mutual fund schemes may not be required to restate the previous years published perspective historical per unit statistics as per the IND AS requirement for the first two years from the adoption of IND AS. However, mutual funds shall furnish the following additional information in perspective historical per unit statistics:

(i) Label the previous Generally Accepted Accounting Principles information prominently as not being prepared in accordance with IND AS; and

(ii) Nature of the adjustments that would be required to make it comply with IND AS shall be disclosed, however, the mutual fund schemes need not quantify the adjustments.

(c) Mutual funds schemes shall prepare the financial statements in the format given in "Annexure A" of this circular.

Further, vide the same circular (as stated above), SEBI issued modifications to Para C (2) of SEBI circular CIR/IMD/DF/24/2012 dated 19 November 2012. In order to align IND AS requirements in relation to the transactions cost of investment to be expensed out and as per the amended Regulation 52 (6A)(a) of the MF Regulations, provisions in Para C (2) of the aforementioned circular have been revised as follows:

"It is clarified that brokerage and transaction cost incurred for the purpose of execution shall be charged to the schemes as provided under the Regulation 52 (6A) (a) upto 12 bps and 5 bps for cash market transactions and derivatives transactions respectively. Any payment towards brokerage & transaction costs, over and above the said 12 bps and 5 bps for cash market transactions and derivatives transactions respectively

may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under the Regulation 52 of the SEBI (Mutual Funds) Regulations, 1996."

The provisions of this circular shall be applicable with effect from 1 April 2023.

Disclosures in the abridged prospectus and front cover page of the offer document

On 4 February 2022, SEBI issued a circular on the disclosures in the abridged prospectus and front cover page of the offer document. This Circular has been issued in order to:

(a) revise the format for disclosures in the abridged prospectus. This format has been revised in order to simplify and provide clarity and consistency in the disclosures amongst various documents and provide additional but critical information in the abridged prospectus. The revised format has been mentioned in "Annexure A" of this circular.

(b) revise the format of the front cover page of the offer document. The format has been revised as it was felt that due to abundance of information that is required to be disclosed, the look of the front page seemed to be very crowded. The revised format for disclosure on front outside cover page shall be as per format mentioned in "Annexure B" of this Circular.

MCA introduces e-Form CSR-2 for reporting on Corporate Social Responsibility

The Ministry of Corporate Affairs vide its notification dated February 11, 2022 issued the Companies (Accounts) Amendment Rules, 2022 ("Rules") thereby further amending the Companies (Accounts) Rules, 2014. The Rules provides that every company covered under the provisions of section 135 (1) of the Companies Act, 2013 shall be required to furnish a report on CSR in e-form CSR-2 to the Registrar commencing from the preceding financial year (2020-21) as an addendum to form AOC-4 or AOC-4 XBRL or AOC-4 NBFC (Ind AS) as may be applicable. For the preceding financial year 2020-21, the e-Form CSR-2, a web-based form, is to be filed separately on or before **March 31, 2022** after filing of Form AOC-4 or AOC-4 XBRL or AOC-4 NBFC (Ind AS), as the case may be.

Commencement notification for section 1 to 29 of LLP (Amendment) Act, 2021

The Ministry of Corporate Affairs vide its notification dated February 11, 2022, notified Section 1 to 29 of the Limited Liability Partnership (Amendment) Act, 2021 to further amend the provisions under the Limited Liability Partnership Act, 2008.

CORPORATE REGULATORY UPDATES

MCA directs to apply certain section of the Companies Act, 2013 to LLPs

The Ministry of Corporate Affairs vide its powers conferred upon by sub-section (1) of section 67 of the Limited Liability Partnership Act, 2008 (6 of 2009) directed that the provisions of sections 90 (significant beneficial owner), 164 (disqualification for appointment of director), 165 (number of directorships), 167 (vacation of office of director), sub-section (5) of section 206 (inspection of books and papers of a company), sub-section (3) of section 207 (conduct of inspection and inquiry), 252 (appeal to tribunal) and section 439 (offences to be non-cognizable) of the Companies Act, 2013 (18 of 2013) shall apply to limited liability partnership with effect from February 11, 2022, except where the context otherwise requires, with the modifications specified.

Amendment in Limited Liability Partnership Rules, 2009

The Ministry of Corporate Affairs ("MCA") on February 11, 2022 issued Limited Liability Partnership Amendment Rules, 2022 ("Amendment Rules") to further amend the provisions of Limited Liability Partnership Rules, 2009. The Amendment Rules shall come into force with effect from April 1, 2022.

Highlights of the Amendment Rules notified by the MCA are as follows:

(i) National Company Law Appellate Tribunal Rules, 2016 shall be applicable to the extent possible for filing an appeal under Section 72(2) and 72(3) of LLP Act.

(ii) Existing Company, LLP or a proprietor of a registered Trademark, which has a name or trade mark which resembles with the name or new name of LLP firm which is newly incorporated subsequently, may make an application to the Regional Director in Form 23 to give direction to that LLP firm incorporated subsequently to change its name or new name, as the case maybe.

(iii) Allotment of new name to existing LLP: Registrar has a power to make the changes in the name or new name of existing LLP firm, if a LLP fails to change its name or new name in accordance with direction passed under section 17(1) of LLP Act, within a period of three months.

(iv) Provisions/procedures related to Adjudication of penalties, appeal against such penalties, registration and disposal of appeals has been introduced.

(v) The applicable fees for registration including conversion of a LLP have been amended by substituting Annexure A. Further, the fees for filing of various e-form on the MCA portal has been prescribed for small LLPs and other than small LLPs.

Standard Operating Guidelines for the Vault Managers and Depositories - Electronic Gold Receipts (EGR) segment

On 14 February 2022, SEBI issued a circular on Standard Operating Guidelines for the Vault Managers and Depositories - Electronic Gold Receipts ("EGR") segment relating to the Securities and Exchange Board of India (Vault Managers) Regulations, 2021 which were notified on December 31, 2021.

The Circular comprises of:

(a) The Standard Operating Guidelines- which have been issued for ease of compliances for the market participants in the EGR sphere. The guidelines have been mentioned in "Annexure 1" of this circular.

(b) The modalities for deposit of gold, creation of EGR, withdrawal of gold and extinguishment of EGR which have been mentioned in "Annexure 2" of this circular.

This circular shall be come into force with immediate effect.

Trading features pertaining to the Electronic Gold Receipts (EGR) segment

On 14 February 2022, SEBI issued a circular on Trading features pertaining to the Electronic Gold Receipts (EGR) segment to specify the details of various aspects of trading of EGR on the recognized stock exchanges.

The circular focuses mainly on:

- Trade timings,
- Transaction charges by stock exchanges,
- Call auction in pre-open session,
- Block and bulk deal,
- Price bands,
- Investor Protection Fund (IPF) & Investor Service Fund (ISF),
- Unique Client Code (UCC)

This circular shall come into force with immediate effect.

Relaxation on levy of additional fees

The MCA has further given relaxation on levy of additional fees for filing of e-form AOC-4/AOC-4 (CFS)/AOC-4 XBRL/AOC-4 non XBRL till March 15, 2022 and for filing of e-form MGT-7/MGT-7A till March 31, 2022, in respect of financial year ended on March 31, 2021.

CORPORATE REGULATORY UPDATES

Clarification regarding the new definition of Micro, Small and Medium Enterprises

On 18 February 2022, the Reserve Bank of India ("RBI"), issued a clarification regarding the amendment made in the Micro, Small and Medium Enterprises Development Act, 2006 related to the definition of Micro, Small and Medium Enterprises ("MSME") through a circular published on 19 January 2022.

Paragraph 3 of the abovementioned circular would stand amended as follows:

"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." RBI, further clarified that the validity of documents obtained in terms of investment in plant and machinery for the purpose of classification as MSME upto 30 June 2020, are also valid upto 31 March 2022.



Recent Events

Glimpse of the Holi celebrations at our
New Delhi & Mumbai Offices.





Off Beat Section

Quiz Corner - Remote work

Remote work has become the new normal for many people worldwide however, with the access to vaccinations and stricter curbs the situation is under control in most of the countries. Lets read through some interesting facts about the same and see if you can guess it right.

(1) What percentage of participants on a conference call are less likely to multitask with their camera on?

- A: 32%
- B: 51%
- C: 63%
- D: 82%



(2) Approximately how many tons of carbon emissions are reduced thanks to remote work?

- A: 1.2 million tons
- B: 2.2 million tons
- C: 2.9 million tons
- D: 3.6 million tons



(3) On average, how many participants per day used Zoom in March 2020?

- A: 100 million
- B: 170 million
- C: 200 million
- D: 230 million



Source of quiz - <https://blog.sli.do/virtual-quiz-ideas/>

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