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THE MONTHLY BULLETIN

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CLASIS LAW*

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Notable Recognitions & Accolades



ASIA-PACIFIC 2021



Third Edition of our annual e-book on
“Doing Business in India” 2021
TO DOWNLOAD THE E-BOOK,
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THE CLASIS LAW PODCAST

**We are live on
Spotify!**

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.

So, stay tuned to our channel and don't forget to follow the channel "The Clasis Law Podcast".



Episode - 1
Work form Home



Episode - 4
Introduction to copyrights
- a musicians perspective



Episode - 2
Legends of Cricket



Episode - 5
Introduction to IPO -2



Episode - 3
Introduction to IPO



Episode - 6
Lets talk about mental
health

GUEST ARTICLE



Food Safety Management System in Food Industry

By - Mr. Umansh Sharma,
Asst. Manager - Legal & Compliance
TATA Starbucks Private Limited

Managing food safety is critical for any organization working with food, but just what is a food safety management system and how should you be implementing one? The food safety management system is a tool to ensure your food safety at your premises.

Food Safety and Standards Authority of India (**FSSAI**) is the prime food authority in India. Established by the Ministry of Health and Family Welfare, it is responsible for food safety in India. Established under the Food Safety and Standards Act (FSSA), 2006, sets science-based standards for the purpose of regulating food products at the time of its production, storage, distribution, sales, and imports. Voluntary certification is provided in accordance with the Food Safety and Standards Act, 2006. This ensures adoption of good manufacturing processes that are hygienic and clean, hazard analysis, and critical control point. The practices are well defined in the regulation. It is therefore mandatory to submit FSMS plan while filing for FSSAI license or its renewal.

A food safety management system (**FSMS**) is a controlled process for managing food safety to ensure that all food that is produced is up to quality standards and safe to consume. This takes into account each and every step from taking deliveries of supplies to shipping out the finished products- which means there must be a defined process for every activity and function. In addition, an FSMS should follow the principles of HACCP and it is each individual organizations' responsibility to form procedures based on this. A FSMS is required by law in order to comply with food safety regulations.

What is HACCP?

Hazard Analysis Critical Control Point (HACCP) is a set of principles which involve analyzing all possible risks relating to food safety and putting controls in place to mitigate them. It should form the basis of all food safety management systems.

One of the key things you'll need to do is to create your own food safety management system which follows the Hazard Analysis Critical Control Point (HACCP) principles.

There are seven principles you'll need to consider:

- (1) **Identify all potential hazards** - for example, the handling of raw ingredients.
- (2) **Determine the critical control points (CCPs) for each potential hazard** - this could be something like a control for checking all fresh ingredients are in date.
- (3) **Establish critical limits** - for example the minimum and maximum refrigeration temperature of chilled ingredients.
- (4) **Implement procedures for monitoring CCPs** - this could be a daily checklist to ensure that the dates of these ingredients have been checked.

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(5) **Establish corrective actions for CCPs** – this is a plan in case something goes wrong with your CCP- for example, having a digital checklist to ensure it cannot get lost or damaged.

(6) **Verification procedures** – a way of checking that all of your steps so far are working.

(7) **Keep records** – you'll need to implement a record keeping system which incorporates all necessary hazards, CCPs, procedures and verification. This could be done using a digital quality management system for ease of use.

Need for Food Safety Management System (FSMS)

Food Safety Management System (**FSMS**) cannot be separated from food safety. This is because food safety is the prime reason for an FSMS program. It helps ensure that the food provided by the food business operators is safe for human consumption. Several regulations have been framed by Food Safety and Standards Authority of India (FSSAI) including the FSMS program that all food business operators must follow.

The International Standard ISO 22003, defines FSMS as a set of interrelated elements that establish policy and objectives. Policies have been extensively used to direct and control the business organization such that the objective of food safety is achieved. For this purpose, many food safety certifications have been established to strengthen the system of providing food safety.

In India, FSMS is a system is a set of systems that are interrelated. This includes procedures and controls laid down by FSSAI. Good manufacturing practices, good hygienic practices, hazard analysis and critical control point are some of them specified under the FSSAI regulations. A combination is used to ensure food safe for human consumption and effective for food businesses to adopt these regulatory procedures.

Food Safety Management System (FSMS) Documentation

The below is a brief description of how the documents are to be filed for application of FSSAI license or its renewal:

(1) The first step in the process of seeking FSSAI license or its renewal is to collect the documents. FSMS Program in India shall cover following documents:

The FSMS plan: it is an important document that has details about the steps involved in the operation, the identifiable hazards, methods of its control, the critical limit, methods for monitoring critical threat, corrective actions suggested, responsibility, and record keeping.

Flow chart of the process: it is a representation of the process undertaken by the food business. It provides a proper understanding of the process and the flow of activities.

A self-inspection checklist: An authorized person shall periodically check the points of inspections and mark it as observations and corrective actions can be taken based on the present observations from the checklist. This is based on the FSMS plan. It has to be submitted as an annexure to the plan.

After the documents are organized, guidance may be required by Food Business Operators for preparing the mandatory documents. It is important to note that the documents must be prepared in a prescribed format given in the FSSAI rules and regulations.

In order to make the mandatory documents, one may refer to FSSAI guidance documents. These are:

- Schedule IV Implementation Guidance and Tools
- Conducting a Food Safety Assessment and Developing an FSMS plan.

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- One may also choose to refer the samples of FSMS documents.
- The application is then submitted for approval or renewal, as the case may be.
- The documents shall be validated by the respective Food Safety Officer or any other designated officer.

The benefits of a digital food safety management system

Given the scale of the number of CCPs, procedures and records you will need to have, having a digital solution to hold and manage all this will allow you to maintain it in the simplest possible way. It provides secure and easy access to essential documentation, even when you're on the move; a central place to raise corrective actions or other issues and real-time reporting. This is particularly useful and essential for companies operating in multiple locations, or at a global scale.

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



Whether interim reliefs can be granted by Indian courts in case where arbitration agreement is governed by foreign law or seat of arbitration is outside India?

Introduction

Ultra Deep Subsea Pte. Ltd. ("**Ultra Deep**") filed a petition before the Bombay High Court under Section 9 of the Arbitration and Conciliation Act, 1996 ("**Act**") against Hindustan Oil Exploration Company Ltd. ("**Hindustan Oil**") and Anr. for securing an amount of USD 6,212,831.67 (United States Dollars Six Million Two Hundred and Twelve Thousand Eight Hundred Thirty One and Sixty Seven Cents) until award is passed in the arbitration proceedings. The Hon'ble Court passed an order on 13th December 2021 in favour of Ultra Deep.

Facts of the Case

On 28th January 2021, a Charter Party was entered into and between Ultra Deep and Hindustan Oil for chartering the Vessel - DSV Lichtenstein. Under the said Charter Party, Ultra Deep provided services of Diving Support Vessels and thereby periodically raised invoices for mobilization fees, charter day rate of the Vessel, equipment rental, bunker on re-delivery, lube oil etc. Despite providing satisfactory services and raising timely invoices and sending statements of accounts, and admitting the liability, Hindustan Oil failed to make payments to Ultra Deep. The said Charter Party had an arbitration clause which was governed and construed in accordance with English Law and any dispute arising out of or in connection with the Charter Party shall be referred to arbitration in London as per London Maritime Arbitrators Association Terms, 2021 ("**LMAA Terms**"). Thus, in order to secure the outstanding dues, Ultra Deep filed the present Petition.

Submissions

Counsel for Ultra Deep submitted the following:

(1) Hindustan Oil unequivocally admitted the liability to pay the unpaid dues to Ultra Deep which were reflected in various email correspondences exchanged between parties;

(2) Hindustan Oil never raised any grievances against Ultra Deep with reference to its services, personnel and/or equipments;

(3) No dispute was raised by Hindustan Oil until legal notice dated 26th June 2021 was served upon them demanding payment; and

(4) As per clause 12 (e) of Charter Party, if Hindustan Oil reasonably believed that an incorrect invoice had been raised or there was any dispute regarding any invoice, the same had to be notified to Ultra Deep within 7 days of receipt of the said invoice. If any invoice was not disputed, then Hindustan Oil had to make payment to Ultra Deep and if they had any claim against Ultra Deep, they could raise those claims subsequently;

Counsel for Hindustan Oil submitted the following:

(1) As per the arbitration clause, the arbitration is foreign seated and the substantive law is not the law of India. As the substantive law and the curial law is not the law of India the applicability of Part I of the Act is impliedly excluded as held Bharat Aluminium Co. vs Kaiser Aluminium Technical Services Inc.⁽¹⁾ ("**BALCO**") i.e. Section 9 Petition is not maintainable;

(2) On a holistic reading of the arbitration clause as well as LMAA Terms, there was an "agreement to the contrary" between parties as contemplated in proviso to Section 2(2) of the Act;

(3) Until the court is first satisfied that Ultra Deep has complied with principles of Order 38 Rules 1, 2 and/or 5 under Civil Procedure Code, 1908 ("**CPC**"), Hindustan Oil cannot be ordered to deposit the disputed amount in court;

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(4) None of the emails referred to and relied by Ultra Deep shows clear and unequivocal admission on part of Hindustan Oil; and

(5) The invoices raised by Ultra Deep had been seriously disputed vide its letters dated 10th August 2021 and 02nd October 2021.

Findings and Observations

(1) Proviso to Section 2(2) of the Act was brought into force by way of amendment w.e.f. 23rd October 2015 which is reproduced herein:

"2(2) This Part shall apply where the place of arbitration is in India:

Provided that subject to an agreement to the contrary, the provisions of section 9, 27, and clause (a) of sub-section (1) and sub-section (3) of section 37 shall also apply to international commercial arbitration, even if the place of arbitration is outside India, and an arbitral award made or to be made in such place is enforceable and recognized under the provisions of Part II of this Act."

Prior to the aforesaid inclusion of the proviso, by virtue of the decision in BALCO, no party to a foreign seated arbitration could seek any interim reliefs in India under Section 9 of the Act. However, post inclusion, unless there is an agreement to the contrary to oust the jurisdiction of the court, parties can seek for interim reliefs under Section 9 of the Act. The Court relied upon judgments passed in *Heligo Charters Private Ltd. vs Aircon Feibars*(2)FZE and *Medima LLC vs Balasore Alloys Ltd.*(3) and observed that merely because an Arbitration Agreement is governed by foreign law and the seat of arbitration is outside India, the same cannot be construed to be an "agreement to the contrary" under proviso to Section 2 (2) of the Act. The Court further observed that for section 9 to be excluded, there must be a specific agreement between the parties ousting the jurisdiction of the Court more than an arbitration agreement being governed by foreign law and with seat abroad. Thus, this plea of Hindustan Oil was rejected.

(2) Even though the court would be guided by CPC for considering grant or refusal of interim reliefs, the court is not unduly bound by the provisions of Order 38 Rules 1, 2, and 5 while considering Petition under Section 9 of the Act. The court relied upon judgments

passed in the matter of *Jagdish Ahuja & Anr. vs Cupino Ltd.* (4), *Valentine Maritime Ltd. vs Kruez Subsea Pte. Ltd. & Anr.* (5) and *Essar House Pvt. Ltd. vs Arcellor Mittal Nippon Steel India Ltd.*(6) and observed that the scope of section 9 of the Act is very broad and the Court has the discretion to grant interim measures of protection as may appear to the court to be just in the interest of justice, an order of deposit may be made if there is a clear admission of liability or there is no real dispute with reference to amounts payable.

(3) The disputes raised by Hindustan Oil in their said letters were with reference to the alleged inadequate capabilities and unsatisfactory skills of crew which in turn caused unavoidable delays and adverse financial and other losses. The court observed that if there was merit in the aforesaid disputes raised by Hindustan Oil, then no prudent person would have extended the Charter Party without raising the so-called inadequacies.

(4) Lastly, with respect to Clause 12 (e) of Charter Party, the court observed that the said clause ensures that there is proper cash flow for the owner of the vessel and is in line with commercial sense. The court relied upon a judgment passed by the Queen's Bench Division in the case of **Offshore Marine Contracting BV vs. Atlantic Marine and Aviation LLP**(7) wherein similar clause to Clause 12 (e) was considered and the English Court opined that if the Charterers reasonably believe that there is an error in the invoice, they can withhold the payment of the disputed amount by notifying the owners under the clause within the period they have agreed in the contract. However, in the present case, Hindustan Oil never raised any grievances with respect to the invoices within 7 days stipulated in the Charter Party. Thus, these disputes were raised only to resist the claim of Ultra Deep.

Conclusion

In light of the above, the court held that the balance of convenience was in favor of Ultra Deep and ordered against Hindustan Oil to secure the sum of USD 6,212,831.67 (United States Dollars Six Million Two Hundred and Twelve Thousand Eight Hundred Thirty One and Sixty Seven Cents) by depositing the same with court or by furnishing a bank guarantee in favor of Prothonotary and Senior Master of the Court of the said amount or equivalent Indian Rupees.

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(1) (2012) 9 SCC 552

(2) 2018 SCC OnLine Bom 1388

(3) AP/267/2021

(4) 2020 SCC OnLine Bom 849

(5) 2021 SCC OnLine Bom 75

(6) 2021 SCC OnLine Bom 149

(7) 2020 Volume (I) LLOYD's Law Reports 171

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SEBI issues the Master Circular for Infrastructure Investment Trusts

On 29 November 2021, the Securities and Exchange Board of India ("SEBI") issued the Master Circular for Infrastructure Investment Trusts ("InvITs"). This Master Circular is a compilation of all relevant circulars issued by SEBI up to 31 October 2021, which are operational as on date of this circular relating to InvITs. Circulars which were providing temporary relaxations with regards to certain compliance requirements for InvITs in the wake of the COVID-19 pandemic have not been included in this master circular.

If any inconsistency arises between the master circular and the applicable circulars then the contents prevalent in the relevant circular shall prevail.

SEBI issues the Master Circular for Real Estate Investment Trusts

On 29 November 2021, SEBI issued the Master Circular for Real Estate Investment Trusts ("REITs"). This Master Circular is a compilation of relevant circulars issued by SEBI up to 31 October 2021, which are operational as on date of this circular relating to REITs. Circulars that were providing temporary relaxations with regards to certain compliance requirements for REITs in the wake of the COVID-19 pandemic have not been included in the master circular.

If any inconsistency arises between the master circular and the applicable circulars then the contents prevalent in the relevant circular shall prevail.

Clarification on holding of Annual General Meeting through video conference or other audio video means

In continuation to the MCA's circular dated 05/05/2020 and 13/01/2021, the MCA vide its circular no. 19/2021 dated December 8, 2021 allowed the companies whose annual general meetings (AGMs) were due in the year 2021, to hold the AGMs on or before June 30, 2022 through VC or other audio video means. The MCA has further clarified that the aforementioned circular shall not be construed as granting any extension of time for holding the AGMs by the companies under the Companies Act, 2013.

Clarification on passing of Ordinary and Special Resolutions by the companies under the Companies Act, 2013 read with rules made thereunder on account of COVID-19

In continuation to the MCA's circular no. 14/2020 dated 08/04/2020, 17/2020 dated 13/04/2020, 22/2020 dated 15/06/2020, 33/2020 dated 28/09/2020, 39/2020 dated 31/12/2020 and 10/2021 dated 23/06/2021, the MCA vide its circular no. 20/2021 dated December 8, 2021 allowed

companies to conduct their EGMs through VC or other audio video means upto June 30, 2022.

SEBI published an Investor Charter and disclosed the format of Investor Complaints by Portfolio Managers on their websites

On 10 December 2021, SEBI had prepared an Investor Charter so as to enhance the awareness of investors about various activities which an investor deals with while they avail the services provided by portfolio managers. The Investor Charter details different services provided by portfolio managers to the investors (along with estimated timelines) like account opening, agreement with the portfolio manager, periodic statements to the investors, investor grievance redressal mechanism, responsibilities of investors, etc. all at one place for easy reference.

All registered portfolio managers are advised to bring to the notice of their clients the Investor Charter by displaying it on their websites in a prominent manner.

Furthermore, to enhance transparency in the Investor Grievance Redressal Mechanism, all portfolio managers shall on a monthly basis disclose on their websites, all data pertaining to the complaints including SEBI Complaints Redress ("SCORES") complaints received by them. The information shall be made available by the 7th of the succeeding month.

In addition, portfolio managers have been advised to display link/option on their websites and mobile apps so as to permit their clients to lodge complaints with them directly.

The provisions of the circular shall be in effect from 01 January 2022.

SEBI issues Circular on Investor Charter and Disclosure of complaints by AIFs

On 10 December 2021, SEBI published a Circular on Investor Charter and Disclosure of complaints by Alternative Investment Funds ("AIF"). The objective behind issuing this Investor Charter was to provide relevant information to investors pertaining to various activities in relation to AIF's.

The Investor Charter is a document containing briefly of the details of services provided to investors, details of grievance redressal mechanism, responsibilities of the investors etc. all at one single place.

In the circular the AIF's have been advised to take necessary steps to bring to their investors notice of the Investor Charter in the prescribed manner as follows:

(a) in case of new schemes, disclose Investor Charter in the Private Placement Memorandum ("PPM"); and

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(b) in case of existing schemes, as a one-time measure, disclose Investor Charter to the investors on their registered e-mail.

Moreover, for the purpose of bringing forth transparency in the Investor Grievance Redressal Mechanism, the AIF shall disclose all data on the investor complaints received against the AIFs and each of their schemes and redressal statuses in the prescribed form as follows:

(a) for new schemes, as a separate chapter in the PPM; and

(b) for existing schemes, by way of updating the PPM within one month of the end of each financial year in terms of SEBI Circular No. SEBI/HO/IMD/IMD-I/DOF6/CIR/2021/549 dated 07 April 2021.

The AIFs shall maintain data on investor complaints as per 'Annexure- Y' of the circular, which shall be compiled latest within 7 days from the end of the quarter.

Publishing an Investor Charter for Mutual Funds and Disclosure of the Format of Investor Complaints by Mutual Funds on their Websites and AMFI Website

On 10 December 2021, SEBI in order to facilitate awareness among investors about various activities which an investor deals with, issued an Investor Charter for Mutual Funds detailing the services provided to investors, rights of investors, various activities of Mutual Funds with timelines, do's and don'ts for investors and a grievance redressal mechanism placed in 'Annexure- B' of this circular.

Additionally, Mutual Funds have been advised to bring the Investor Charter for Mutual Funds to the notice of their unit holders (existing as well as new unit holders) by disclosing the Investor Charter on their websites and by making it available at prominent places within the office.

Furthermore, Mutual Funds were also advised to display link/option to lodge complaint with them directly on their websites and mobile apps. Additionally, link to SCORES website/ link to download mobile app (SEBI SCORES) would also need to be provided on their website. These disclosure requirements are required to be followed in addition to those already mandated by SEBI.

In addition to the above SEBI has also partially modified Circular bearing No. Cir/IMD/DF/2/2010 dated 13 May 2010, wherein now Mutual Funds shall have to disclose the details of investor complaints on their respective websites as well as on AMFI website on a monthly basis, as per the format enclosed in 'Annexure- A' of this circular and the information must be made available within 7th of the succeeding month.

The provisions of this circular shall come into effect from 01 January 2022.

Introduction of Legal Entity Identifier for Cross-border Transactions

On 10 December 2021, the Reserve Bank of India ("RBI") has introduced the Legal Entity Identifier ("LEI"). LEI is a 20-digit number used to uniquely identify parties to financial transactions worldwide to improve the quality and accuracy of financial data systems. LEI was introduced by the RBI in a phased manner for participants in the over the counter (OTC) derivative, non-derivative markets, large corporate borrowers and large value transactions in centralized payment systems.

To enhance the benefits of LEI, the RBI has decided that AD Category I banks, with effect from 01 October 2022, shall obtain the LEI number from the resident entities (non-individuals) undertaking capital or current account transactions of Rs.50 crores and above per transaction under Foreign Exchange Management Act, 1999. However, in case of non-availability of LEI information, in regards to non-resident counterparts/ overseas entities, an AD Category I bank may process the transaction to avoid disruptions.

In addition to the above, even before 01 October 2022, AD Category I banks have been permitted to encourage concerned entities to voluntarily furnish LEI while undertaking transactions. Once an LEI number has been procured then it must be reported in all transactions of the entity, irrespective of the size of the transaction.

A system shall be in place by an AD Category- I Bank so as to capture the LEI information and ensure that any LEI captured is validated against the global LEI database available on the website of the Global Legal Entity Identifier Foundation ("GLEIF").

LEI may be obtained from any of the Local Operating Units ("LOUs") accredited by the GLEIF. In India, LEI can be obtained from the Legal Entity Identifier India Limited ("LEIL"), recognized as an issuer of LEI by the RBI under the Payment and Settlement Systems Act, 2007.

Clarification Regarding Amendment to SEBI (Portfolio Managers) Regulations, 2020

On 10 December 2021, SEBI, issued a clarification regarding the amendment made to Securities and Exchange Board of India (Portfolio Managers) Regulations, 2021 ("PMS Regulations") on 09 November 2021. The said amendment was brought forth in order to facilitate co-investment by investors of Alternative Investment Funds ("AIF") through the portfolio management route.

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As per the clarification, the Co-investment portfolio management services shall be provided in the following manner:

(a) A manager of an AIF who is also a SEBI registered Portfolio Manager, and intends to offer Co-investment services through the portfolio management route, shall do so only with prior intimation to SEBI.

(b) Any other manager who is not registered with SEBI as a Portfolio Manager, and intends to offer Co-investment services through the portfolio management route, shall seek registration from SEBI as a Portfolio Manager in terms of the PMS Regulations. Once the registration is obtained, if such Portfolio Manager is desirous of offering portfolio management services other than Co-investment, the same shall be subject to compliance with all provisions of the PMS Regulations including eligibility criteria, and with the prior approval of SEBI.

There were several other modifications to earlier issued SEBI circulars, mentioned as follows:

(a) As per provisions of Circular No. SEBI/ HO/ IMD/ DF1/ CIR/ P/ 2021/02 dated 08 January 2021, Portfolio Managers shall submit a monthly report regarding their portfolio management activity, on SEBI Intermediaries Portal within 7 working days of the end of each month, as per the revised format enclosed in 'Annexure- A' of this Circular, which includes details of Co-investment offered by the Portfolio Manager.

(b) Further, in modification to paragraph D.12 of Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated 13 February 2020, Portfolio Managers shall furnish a report to their clients on a quarterly basis, as per the revised format enclosed in 'Annexure- B' of this Circular, which includes details of Co-investment offered by the Portfolio Manager.

(c) As per, paragraph A.3 of Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated 13 February 2020, the provisions with respect to fees and charges as specified therein, shall not be applicable to Co-investment services. The provisions of the aforesaid paragraph A.3 shall remain unchanged for portfolio management services other than Co-investment.

(d) As per, paragraph B of Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated 13 February 2020, the provisions with respect to direct on-boarding of clients by Portfolio Managers as specified therein, shall not be applicable to Co-investment services. The provisions of the aforesaid paragraph B shall remain unchanged for portfolio management services other than Co-investment.

The reporting requirements as mentioned above shall be applicable for monthly reports to SEBI and quarterly reports to clients, from the month of April 2022 onwards.

Publishing of Investor Charter and Disclosure of Investor Complaints by Investment Advisers on their Website/ Mobile Applications

On 13 December 2021, SEBI issued a Circular on Publishing of Investor Charter and Disclosure of Investor Complaints by Investment Advisers on their Website/ Mobile Applications. For the purpose of facilitating investor awareness about various activities which an investor deals with while availing the services provided by investment advisers, SEBI has developed an Investor Charter for Investment Advisers. This Charter is a brief document containing details of the services provided to investors, their rights, do's and don't's, responsibilities, investor grievance handling mechanism and timelines etc. It has been prepared in order to provide convenience as information will be available at one single place, in a lucid language, for ease of reference.

In addition to the above SEBI via Circular dated 27 December 2019 prescribed display of complaints status by Investment Advisers on their respective websites/mobile application. In order to further enhance transparency in grievance redressal, the Investment Advisers shall now disclose the details of investor complaints by the 7th of the succeeding month in the revised format as attached in 'Annexure- B' of this Circular on a monthly basis. Investment Advisers not having a website or a mobile application shall send the status of the Investor Complaints to the investors on their registered email on a monthly basis in accordance with this circular.

SEBI Constitutes Advisory Committee for Leveraging Regulatory and Technology Solutions

On 14 December 2021, SEBI issued a press release wherein it has decided to constitute an Advisory Committee for Leveraging Regulatory and Technology Solutions ("ALeRTS") so as to obtain guidance in its pursuit to enhance technological capabilities and explore appropriate technology solutions for early detection of market anomalies.

The Committee is to guide SEBI in:

(a) designing and framing requirements for various in-house systems;

(b) from a domain perspective, in finding appropriate technology solutions and ascertaining the adequacy of SupTech / RegTech tools envisaged / proposed to be used in-house for improving its capabilities; and

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(c) recommending the future roadmaps and ways of improvements in the on-going technology projects.

SEBI provides Clarification on Common and Simplified Norms for Processing Investor's Service Request by RTA's and Norms for Furnishing PAN, KYC details and Nomination

On 14 December 2021, SEBI issued a Circular so as to provide clarification on Common and Simplified Norms for Processing Investor's Service Request by RTA's and Norms for Furnishing PAN, KYC details and Nomination. SEBI on 03 November 2021, had issued a Circular wherein the common and simplified norms had been laid down for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and nomination. However post this Circular various representations were received from the Registrars Association of India ("RAIN"), thus they have decided to provide clarifications on certain provisions and on the applicability on the aforementioned Circular.

This Circular has provided clarification regarding:

- (a) Minor mismatch in signature;
- (b) Major mismatch in signature/ signature card is not available;
- (c) Mismatch in name;
- (d) Documents for proof of address;
- (e) Self-attestation to replace affidavits, attestation/ notarisation;
- (f) KYC details across all folios of the holder, maintained by the RTA;
- (g) Mode for providing documents/ details by investors; and
- (h) Other Clarifications.

All the other provisions that comprise of the Circular dated 03 November 2021, shall remain unchanged.

RBI issues Prompt Corrective Action Framework for Non-Banking Financial Companies

On 14 December 2021, RBI issued Prompt Corrective Action ("PCA") Framework for Non- banking Financial Companies ("NBFCs"). This PCA Framework shall be applicable to:

- (a) All deposit taking NBFCs (excluding government companies)
- (b) All non-deposit taking NBFCs in middle, upper and top layers (excluding NBFCs not accepting/ not intending to accept public funds, government companies, primary dealers and housing finance companies).

The PCA Framework shall come into effect from 01 October 2022, based on the financial position of NBFCs on or after 31 March 2022.

Government NBFCs on the other hand have been provided time up to 31 March 2022, to adhere to the capital adequacy norms provided for NBFCs. A separate Circular shall be issued in due course of time with regard to applicability of PCA Framework to Government NBFC's.

The PCA Framework shall be reviewed after 3 years of being in operation.

The RBI Releases the Draft Master Direction on Minimum Capital Requirements for Operational Risk

On 15 December 2021, RBI as a part of its convergence regulations for banks with Basel III standards, placed on its website the 'Draft Master Direction on Minimum Capital Requirements for Operational Risk' for comments of stakeholders and members of the public.

The proposed directions shall be applicable to all commercial banks, however it shall not be applicable to Local Area Banks, Payment Banks, Regional Rural Banks and Small Financial Banks.

All stakeholders may communicate their comments on the draft Master Direction vide email latest by 31 January 2022.

Publishing Investor Charter and Disclosure of Complaints by Custodians and DDPs on their websites

On 17 December 2021, SEBI, with the objective of facilitating awareness among investors about the different activities carried and services provided by Custodians and Designated Depository Participants ("DDPs"), developed the Investor Charters for Custodians and DDPs which deals with services provided to investors with timelines and general guidance for Investors.

Additionally, all the registered Custodians and DDPs shall take the necessary steps in order to make their investors aware of the Investor Charter in accordance with 'Annexure-A' of this circular, and along with that the Investor Charter shall also be prominently displayed on their respective website for ease of accessibility of investors.

Furthermore, in order to bring about transparency in the Investor Grievance Redressal Mechanism, it has been decided that all Custodians and DDPs shall disclose on their respective websites, the monthly data on complaints received and redressal thereof, latest by 7th of succeeding month, as per the format provided in 'Annexure- B' of this circular.

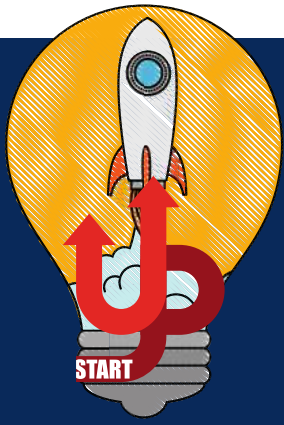
The provisions of this circular shall come into effect from 01 January 2022.

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Relaxation on levy of additional fees in filing of e-forms for the financial year ended 31/3/2021

The MCA vide its circular no. 22/2021 dated December 29, 2021 has allowed the Indian companies to file e-forms AOC-4, AOC-4 (CFS), AOC-4 XBRL, AOC-4 Non-XBRL up to 15/02/2022 and e-forms MGT-7 and MGT-7A upto 28/02/2022 in respect of financial year ended 31/3/2021.

No additional/ late filing fee would be charged or adjudication actions would be initiated if the Indian companies complete the filings within the aforementioned extended dates.

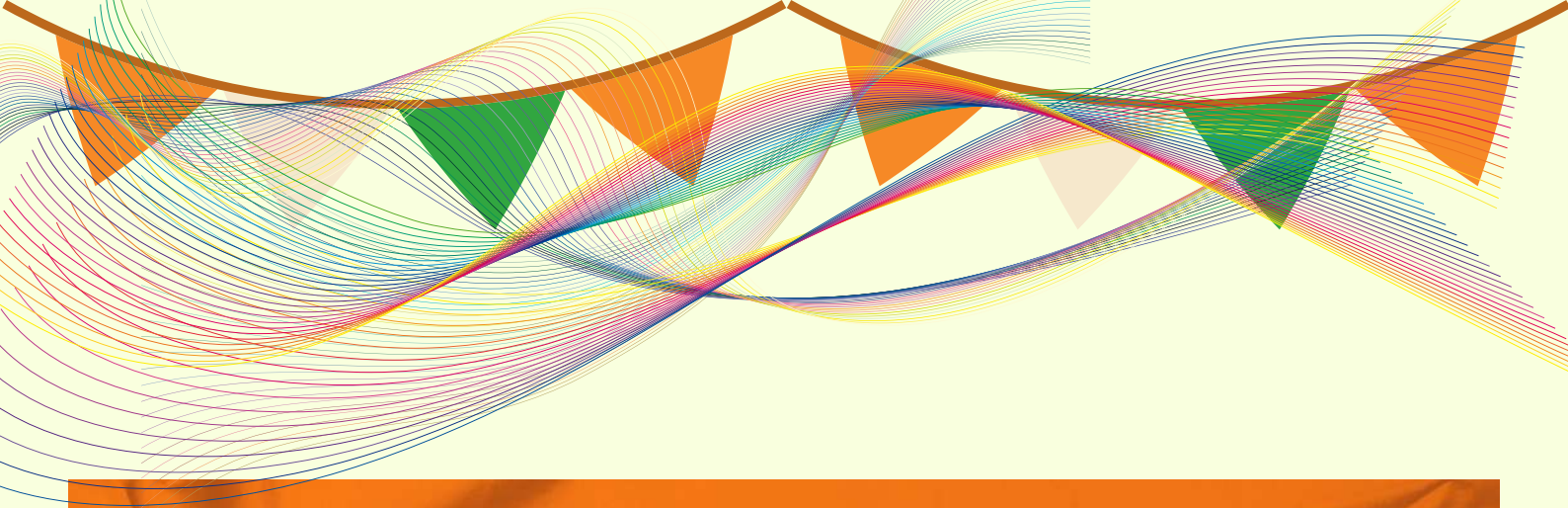


Off Beat Section

"National Startup Day" – Interesting facts about Indian startups ecosystem

In a symbolic boost to India's growing startup ecosystem, Prime Minister of India Narendra Modi announced 16 January to be celebrated as "National Startup Day". Let's read about some interesting facts about Indian Startup ecosystem.

- 1. India has the 3rd largest startup ecosystem in the world; expected to witness YoY growth of a consistent annual growth of 12-15%.**
- 2. In the year 2013-14, about 70,000 trademarks were registered whereas in 2020-21 more than 2.5 lakh trademarks were registered.**
- 3. In order to support Indian Startup ecosystem, the Indian government has removed more than 25 thousand compliances.**
- 4. Bangalore has been listed within the world's 20 leading startup cities in the 2019 *Startup Genome Project ranking*. It is also ranked as one of the world's five fastest growing startup cities.**



REPUBLIC DAY

Happy Republic Day! May the brave leaders of our glorious nation guide us to peace and prosperity so that we can hold our heads high and be proud of our country. We salute the work they did for our country on this day.



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