

Highlights:**Corporate Brief**

- Circular No. 16/2021 dated 26.10.2021 issued by Ministry of Corporate Affair with regard to relaxations in paying additional fees in case of delay in filing Form 8 (the statement of account and Solvency) by Limited Liability Partnerships upto 30th December, 2021.
- Circular dated 22.10.2021 issued by SEBI in regard to amendment to SEBI Circular pertaining to Investor Protection Fund/ Investor Service Fund and its related matters.
- Circular dated 27.10.2021 issued by SEBI in regard to Guiding principles for bringing uniformity in Benchmarks of Mutual Fund Schemes.
- Circular dated 28.10.2021 issued by SEBI in regard to Investment/ trading in securities by employees and Board members of AMC(s) and Trustees of Mutual Funds.
- Circular dated 28.10.2021 issued by SEBI in regard to Maintenance of current accounts in multiple banks by Stock Brokers.
- Circular dated 14.10.2021 issued by SEBI in regard to Streamlining issuance of SCORES Authentication for companies intending to list their securities on SEBI recognized stock exchanges.
- Circular No. 18/2021 dated 29.10.2021 issued by Ministry of Corporate Affair with regard to extension of last date of filing of Cost Audit Report to the Board of Directors under Rule 6(5) of Companies (Cost Records and Audit) Rules, 2014.
- Circular No. 17/2021 dated 29.10.2021 issued by Ministry of Corporate Affair with regard to relaxation on levy of additional fees in filing of e-forms AOC-4, AOC-4 (CFS), AOC-4, AOC-4 XBLR AOC-4 Non-XBLR and MGT-7/MGT-7A for the financial year ended on 31.03.2021 under the Companies Act, 2013.

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- ⇒ **Circular No. 16/2021 dated 26.10.2021 issued by Ministry of Corporate affair with regard to relaxations in paying additional fees in case of delay in filing Form**

8 (the statement of account and Solvency) by Limited Liability Partnerships upto 30 December, 2021.

- In view of COVID-19 pandemic and representation made by LLP seeking an extension of the deadline for filing the Statement of Account and Solvency without paying additional fees, MCA vide its Circular No. 16/2021 dated 26.10.2021 has decided LLPs will be able to file Form 8 (the Statement of Account and Solvency) for the Fiscal Year 2020-2021 without paying any additional fees upto 30 December, 2021.

- ⇒ **Circular dated 22.10.2021 issued by SEBI in regard to amendment to SEBI Circular pertaining to Investor Protection Fund/ Investor Service Fund and its related matters.**

- SEBI vide its circular dated 22.10.2021 substituted Clause 2(g) of Comprehensive guidelines for Investor Protection Fund (IPF), Investor Service Fund (ISF) and its related matters which was notified vide SEBI Circular no. CIR/CDMRD/DEICE/CIR/P/2017/53 dated 13.06.2017.

- The new inserted section is as follows:

“The Stock Exchanges shall ensure that once a member has been declared defaulter, the claim (s) shall be placed before the Member Core Settlement Guarantee Fund Committee (MCSGFC, the erstwhile Defaulters’ Committee) for sanction and ratification. MCSGFC’s advice w.r.t. legitimate claims shall be sent to the IPF Trust for disbursement of the amount immediately.

In case the claim amount is more than the coverage limit under IPF or the amount sanctioned and ratified by the MCSGFC is less than the claim amount then the investor will be at liberty to prefer for arbitration outside the exchange mechanism/ any other legal forum outside the exchange mechanism for claim of the balance amount.”

- It further stated that the provisions of this circular shall come into effect from 01.01.2022.

⇒ Circular dated issued by SEBI in regard to Guiding principles for bringing uniformity in Benchmarks of Mutual Fund Schemes.

- SEBI vide its Circular dated 27.10.2021 in order to standardize and bring uniformity to the Benchmarks of Mutual Fund Schemes, and taking into account the recommendations of the Mutual Fund Advisory Committee (MFAC), has decided that there would be a two-tiered structure for benchmarking schemes for specific categories of schemes. The first-tier benchmark shall reflect the scheme's category, and the second-tier benchmark should demonstrate the Fund Manager's investment style/strategy within the category. All of the benchmarks used should be Total Return Indices.
- Guiding principles for first tier benchmarks are as follows:
 - (i) For Income / Debt Oriented Schemes:
 - First Tier: One Broad Market Index per Index Provider for each category
 - Second Tier: Bespoke according to Investment Style/Strategy of the Index
 - (ii) For Growth/Equity Oriented Schemes:
 - First Tier: One Broad Market Index per Index Provider for each category
 - Second Tier: Bespoke according to Investment Style/Strategy of the Index
 - (iii) For Hybrid and Solution Oriented Schemes:
 - There would be a single benchmark, i.e., Broad Market Benchmark wherever available or bespoke to be created for schemes, which would then be applicable across industry.
 - (iv) For Thematic / Sectoral schemes:
 - There would be a single benchmark as characteristics of the schemes are already tapered according to the theme/sector.
 - (v) For Index Funds and Exchange Traded Funds (ETFs):
 - There would be a single benchmark as these schemes replicate an underlying index.
 - (vi) For Fund of Funds Schemes (FoFs):

Similar to Index Fund and ETFs, if a FoF scheme is investing in a single fund, then benchmark of the underlying scheme shall be used for corresponding FoF. However, in case a FoF scheme invests in multiple schemes, then Broad Market Index shall be applied.

(vii) For Other Schemes:

Depending on underlying asset allocation, Broad Market benchmark may be arrived at.

- It is advised for AMFI to publish:
 - a) Benchmarks intended to be used as first-tier benchmarks by AMCs within one month of the date of this circular's issuance.
 - b) Benchmarks intended to be used as the first-tier benchmark by AMCs for open ended debt schemes on or before December 1, 2021, as per the Potential Risk Class Matrix.
- It is clarified that the second tier Benchmark is optional and will be determined by the AMCs based on the Index's Investment Style/Strategy.
- It is stated that the framework specified by AMFI referred above at para (a) shall come into force with effect from 01.12.2022 and the framework specified by AMFI as referred at (b) shall come into force from 01.01.2022.

⇒ Circular dated 28.10.2021 issued by SEBI in regard to Maintenance of current accounts in multiple banks by Stock Brokers.

- SEBI vide circular 28.10.2021 clarified that Stock Brokers should maintain current accounts in an appropriate number of banks (subject to the maximum limit prescribed by Stock Exchanges/SEBI from time to time) for holding client funds (i.e., Client Account), for settlement purposes (i.e., Settlement Account), and any other accounts mandated by Stock Exchanges such as Exchange Dues Account, provided that these accounts are used for their defined purposes.

⇒ Circular dated 14.10.2021 issued by SEBI in regard to Streamlining issuance of SCORES Authentication for

companies intending to list their securities on SEBI recognized stock exchanges.

- In pursuance of its Circular No. CIR/OIAE/1/2014 dated 18.12.2014 and Circular dated August 02.08.2019, SEBI vide its circular dated 05.05.2021 has decided to implement an online mechanism for obtaining SCORES credentials for all "companies intending to list their securities on SEBI recognized stock exchanges."
- The online form is available on the SCORES website at www.scores.gov.in. This was done as part of SEBI's green initiative and to streamline the resolution of investor complaints against companies prior to listing.
- SEBI directed that a declaration with the online form shall be attached by companies on the letter head signed by Compliance officer as under:
 - a) Companies intending to list on the Main Board: A declaration that the DRHP has been filed with SEBI.
 - b) Companies intending to list on the stock exchange's SME/Debt Platform: A declaration that an application to list its securities has been filed with the stock exchange/in-principal approval to list its securities has been obtained from the stock exchange. Companies intending to list on the Main Board: A declaration that the DRHP has been filed with SEBI.
- It clarified that companies shall send SCORES credentials to the email id of Compliance Officer/Dealing Officer as provided in online form and are no longer required to submit physical copy of Form A or e-mail the same to SEBI, as provided in Circular No. CIR/OIAE/1/2014 dated 18.12.2014. for Companies guidance, an instruction document has been provided with the online form.

⇒ **Circular No. 18/2021 dated 29.10.2021 issued by Ministry of Corporate Affair with regard to extension of last date of filing of Cost Audit Report to the Board of Directors under Rule 6(5) of Companies (Cost Records and Audit) Rules,2014.**

- MCA vide circular No. 18/2021 dated 29.10.2021 has decided to substitute the word and figures "31st October,2021" with the word and figures "30 November,

2021" in the said General Circular No. 15/2021 dated 27.09.2021.

⇒ **Circular No. 17/2021 dated 29.10.2021 issued by Ministry of Corporate Affair with regard to relaxation on levy of additional fees in filing of e-forms AOC-4, AOC-4 (CFS), AOC-4, AOC-4 XBLR AOC-4 Non-XBLR and MGT-7/MGT-7A for the financial year ended on 31.03.2021 under the Companies Act, 2013.**

- MCA vide circular no. 17/2021 dated 29.10.2021 has announced relaxation on levy of additional fees for annual financial statement filings of e-forms AOC-4, AOC-4 (CFS), AOC-4, AOC-4 XBLR AOC-4 Non-XBLR and MGT-7/MGT-7A required to be done for the financial year upto 31.12.2021.

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