



LegumAegis प्रज्ञ

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“FSSAI REGISTRATION NUMBER” is now mandatory to mention

Every food business operator is now mandatorily required to display its 14-digit FSSAI Registration/ Licence Number on every of its receipts, invoices, bills, cash memo, food safety display boards in case of restaurants, caterers, mithai shops even retail stores etc. with effect from 1st October 2021.

The only exemption as of now provided for GST e-way bill or such other documents which are system generated.

The display of FSSAI number shall improve the overall awareness about FSSAI and its requirements. In case of any grievance, consumers can lodge an online complaint against any particular food business by using such 14-digit number.

https://www.fssai.gov.in/upload/advisories/2021/06/60c08b4456ef1Order_License_Registration_Man_dating_09_08_2021.pdf

Relaxation in “Minimum Vesting Period” requirement

There is a requirement of a minimum vesting period at least of one year for ESOPs and SAR under SEBI (Share Based Employee Benefit) Regulations, 2014 (“SBEB Regulations”).

In order to provide relief to the family of deceased employees in listed companies in the wake of Covid19 pandemic, SEBI provided a relaxation which will be effective from April 01, 2020, under regulation 18(1) and 24(1) r.w. regulation 9(4) of the said of the SBEB Regulations, in terms of non-applicability of minimum vesting period of one year in case of death (for whatsoever reason) of an employee. Therefore, in such instances where an employee died after 1st April 2020, all stock options including stock appreciation rights (SARs) or any other benefit granted to such employee, will be vested immediately with his/her legal heir or nominee on the date of death of the employee.

https://www.sebi.gov.in/legal/circulars/jun-2021/relaxation-from-the-requirement-of-minimum-vesting-period-in-case-of-death-of-employee-s-under-sebi-share-based-employee-benefit-regulations-2014_50545.html



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Ease of doing “Board Meetings”

Ministry of Corporate Affairs (‘MCA’) on June 15, 2021, notified the amendment in Companies (Meetings of Board and its Powers) Rules, 2014 and by that amendment, Rule 4 has been permanently deleted. Rule 4 was related to the matters **NOT TO BE DEALT** during a virtual board meet.

Now, with the deletion of that rule, Companies may consider following agenda items in their board meetings held through VC:

- approval of the annual financial statements and Board’s report;
- approval of the prospectus;
- Audit Committee meeting for recommendation of financial statements to Board;
- Matters related to amalgamation, merger, demerger, acquisition and takeover.

Previously, MCA has granted this relaxation on ad-hoc basis till June 30, 2021, keeping in view travelling restrictions due to pandemic but now said restriction is permanently deleted.

<https://www.mca.gov.in/bin/dms/getdocument?mcs=zwpAcIfQhKOGb8vwf%252FztbA%253D%253D&type=open>

System driven disclosures: Inclusion of listed debt securities

SEBI has issued a circular in respect of automation of continual disclosures as per SEBI (PIT) Regulations, 2015 for system driven disclosures for inclusion of listed debt securities. It is stated in the circular to include the **listed debt securities of equity listed companies** under the purview of system driven disclosures for the entities. SEBI asked to the depositories and stock exchanges to make necessary arrangements so that necessary disclosures pertaining to listed debt securities along with equity shares and equity derivative instruments are disseminated on the websites of respective stock exchanges with effect from July 01, 2021.

https://www.sebi.gov.in/legal/circulars/jun-2021/automation-of-continual-disclosures-under-regulation-7-2-of-sebi-prohibition-of-insider-trading-regulations-2015-system-driven-disclosures-for-inclusion-of-listed-debt-securities_50572.html

Extension of having EGMs through VC up to 31st December 2021

In continuation of the Ministry’s following general circulars on the matter of holding general meetings by a Company through audio-video mode:

- Circular no. 14/2020 dated 8th April 2020;
- Circular no. 17/2020 dated 13th April 2020;
- Circular no. 22/2020 dated 15th June 2020;
- Circular no. 33/2020 dated 28th September 2020; and
- Circular no. 39/2020 dated 31st December 2020.

MCA informed to its stakeholders via its general circular no. 10/2021 dated 23rd June 2021, that they have decided to allow companies to conduct their EGMs through VC & OAVM or transact items



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through postal ballot for a further period up to 31st December 2021, in accordance with the guidelines detailed in aforesaid circulars.

<https://www.mca.gov.in/bin/dms/getdocument?mds=fYGpVQRhK8ssM3IRsS7fsg%253D%253D&type=open>

RBI – Guidelines on distribution of dividend by NBFC

RBI issued on 24th June 2021, a set of guidelines on distribution of dividend by NBFCs, setting out norms for NBFC dividend distribution, which will be effective for the declaration of dividend from the profit of the FY22, and onwards.

This notification put a ceiling on dividend pay-out ratio. According to this notification, dividend pay-out ratio is the ratio between the amount payable as dividend in a year and net profit as per audited financial statements for that financial year in which the dividend is proposed.

RBI casted obligation on the Board that while considering the proposals for dividend, the Board will take into account supervisory findings of the RBI/ NHB (for HFCs) on divergence in classification and provisioning for NPAs, any qualifications in the Auditors' Report and long-term growth plans of the NBFC. Proposed dividend shall include both dividend on equity shares and compulsorily convertible preference shares eligible for inclusion in Tier 1 Capital.

Further, in case the PAT for the relevant period includes any exceptional or extraordinary profit or income or the financial statements are qualified (including 'emphasis of matter') by the statutory auditor that indicates any overstatement of net profit, the same shall be reduced from net profits while determining the dividend payout ratio. Interestingly, it is mentioned in the Circular that the Reserve Bank shall not entertain any request for ad-hoc dispensation on declaration of dividend.

Those NBFCs already have any extant Dividend Distribution Policy of their own, shall require to amend in order to include the additional parameters in line with this notification.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12118&Mode=0>
