

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Edition No. 286 Week 30– July 17 2023 to July 23 2023

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Companies Act 2013 during the week

Notification – 2; Rules -0; Circulars - 0; Orders-0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	14-07-2023	Notification	Exemption to Regional Rural Banks under Competition Act, 2002	Earlier the Regional Rural Banks proposing to amalgamate shall comply with the provisions of section 5 and 6 of the Competition Act, 2002, by submitting Notice to the Commission before entering such combination [merger/amalgamation], vide this notification relaxation has been provided by exempting the same for the Regional Rural Banks proposing to amalgamate. The above-mentioned exemption shall be valid for a period of 5 years from the date of publication of this notification in the Official Gazette.

2	18-07-2023	Notification	Amendment in Competition Commission of India (Director General) Recruitment Amendment Rules, 2023	A new clause has been inserted with respect to Selection Committee and its procedure vide this notification. It shall come into force with effect from 18 th July 2023.
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S. No	NEWS ON MCA
NIL	

2

SEBI during the week

Circulars– 2; Press Release – 0; Master Circulars – 0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	19-07-2023	Circular	Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) – Extending framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level to all listed companies in a phased manner.	<p>The essence of the provisions stated in the mentioned clause, is that the compliance officer shall close the trading window for the <i>designated persons (DPs)</i> who are reasonably expected to have possession of UPSI. Accordingly, such DPs and their relatives shall not trade in securities when the trading window is closed. To improve ease of doing business and to prevent inadvertent non-compliances of provisions of PIT Regulations by DPs, SEBI had issued a framework to restrict trading of DPs by way of freezing the PAN at security level during Trading Window closure period.</p> <p>Earlier this was applicable only to those listed companies that were part of benchmark indices i.e., NIFTY 50 and SENSEX, now vide the release of this circular, the above framework is hereby extended to all the listed companies.</p>

2	20-07-2023	Circular	<p>New category of Mutual Fund schemes for Environmental, Social and Governance (“ESG”) Investing and related disclosures by Mutual Funds.</p>	<p>Considering the need for green financing and the need to avoid greenwashing, it has been decided to permit launch of multiple Environmental, Social and Governance (ESG) schemes with different strategies by Mutual Funds. Further, to improve transparency to avoid risks of mis-selling and greenwashing, an ESG Advisory Committee was set up by SEBI. The salient features of the measures proposed by the Committee are as follows:</p> <ol style="list-style-type: none"> 1. It is decided to introduce a separate sub-category for ESG investments under the thematic category of Equity schemes. 2. Minimum 80% of the total Assets Under Management(AUM) of ESG schemes shall be invested in equity & equity related instruments of that strategy of the scheme. 3. AMCs shall ensure that the schemes launched by Mutual Funds are clearly distinct in terms of asset allocation, investment strategy etc. <p>The provision of new category for ESG schemes shall be applicable with immediate effect.</p>
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S. No	NEWS ON SEBI
1	<p><u>SEBI, exchanges ease trading rule for stocks under enhanced surveillance framework:</u></p> <p>SEBI in a discussion with the stock exchanges decided to ease rules for trading in stocks that remain under the Enhanced Surveillance Measures (ESM) framework. Under the existing framework rule, stocks were allowed to trade only once a week. Now it is allowed to trade on all days.</p>

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RBI during the week

Notifications - 0; Master Directions –0 ;Master Circulars –0

S.No	Date of Issue	Rules/Circular/ Notification/ Order/Press release	Subject	Gist thereof
NIL				

S.No	NEWS ON RBI
NIL	

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IBC during the week

Notification– 2; Master Direction – 0; Circulars – 0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
2	20-07-2023	Notification	Insolvency and Bankruptcy Board of India (Insolvency Resolutions Process for Corporate Persons) (Amendment) Regulations, 2023	Insolvency and Bankruptcy Board of India vide this Amendment, has inserted an explanation in regulation 31A. The explanation clarifies that the regulatory fees under Regulation 31A(1) shall not be payable where the approved resolution plan in respect of insolvency of a real estate project is from an association or group of allottees in such real estate project.
3	20-07-2023	Notification	Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2023	Insolvency and Bankruptcy Board of India has made the eligibility for registration of Insolvency Professional more stringent by amending the requirements of completion of the Graduate Insolvency Program to Post Graduate Insolvency Program. Earlier, an individual would be eligible to register as an IP if he/she had completed the Graduate Insolvency Program, now the amendment requires the individual to complete the Post Graduate Insolvency Program as may be approved by the Board.

S.No	NEWS ON IBC
	NIL

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Others during the week

Finance Ministry – 3; DGFT – 0; Others – 0

S. No	Date	Rules/Circular/ Notification/Order/Press Release	Contents thereof	Gist thereof
1	19-07-2023	Notification	Reporting Entity Under Prevention of Money-Laundering Act, 2002	<p>Pursuant to the notification released by the Ministry of Finance on 03rd May 2023 pertaining to the Prevention of Money-laundering Act, 2002, the ICSI has guided the professionals who fall under the head of ‘Reporting Entity’ under PMLA, Financial Intelligence Unit – India by implementing the AML and CFT Guidelines. These Guidelines are applicable only to the relevant persons carrying out financial transactions as given out.</p> <p>The below mentioned points are given out in the notification:</p> <ol style="list-style-type: none"> 1. ICSI has been advised to take on the role of Supervisory Regulatory Body (SRB) for its practicing Company Secretaries.

				<p>2. Nodal officer is also identified as per the requirement of guidelines who can be reached at pmla@icsi.edu for interaction and information sharing between practicing members and FIU-India.</p> <p>3. ICSI is to identify Reporting Entities undertaking financial transactions as listed under the notification dated May 03, 2023</p> <p>4. The members holding COP and falling within the definition of Reporting Entity under the Act, are requested to register themselves by filling their details in the form placed at the link below within seven (7) days: https://forms.gle/gyMfn6mYxKqpihFC8</p>
2	20-07-2023	Notification	Designation of M/s. Alliance Aviation Limited as designated Indian Carrier	The Central Government hereby specified that M/s. Alliance Air Aviation Limited as “designated Indian carrier” and the purchase of Aviation Turbine Fuel made by the Designated Indian Carrier shall be deemed to take place in the course of the export of goods out of the territory of India.
3	20-07-2023	Notification	IFSC notification under section 10 sub section 34B	The notification specifies that no income tax deduction shall be made from any dividend income paid by an IFSC unit primarily engaged in aircraft leasing to another company or operating within the IFSC subject to certain conditions. The payee must furnish statement-cum-declaration in form No.1 to the payer detailing the relevant assessment year for exemption. The payer must not deduct tax after receiving declaration and report these transactions accordingly. These provisions are effective from 1 st September 2023.

S NO	GENERAL NEWS
1	<p data-bbox="163 488 1559 517"><u>Clarification by Central Board of Indirect Taxes & Customs (CBIC) on certain issues in Goods and Services Tax (GST):</u></p> <p data-bbox="163 568 1733 596">The Central Board of Indirect Taxes & Customs (CBIC) has released several notifications, which shall deal individually as given below:</p> <ol data-bbox="215 651 1637 839" style="list-style-type: none"><li data-bbox="215 651 972 679">1. Central Tax seeks to extend amnesty for GSTR-10 non-filers.<li data-bbox="215 703 958 732">2. Central Tax seeks to extend amnesty for GSTR-9 non-filers.<li data-bbox="215 756 1637 785">3. Central Tax seeks to extend amnesty scheme for deemed withdrawal of assessment orders issued under Section 62.<li data-bbox="215 809 1431 837">4. Central Tax-Seeks to extend time limit for application for revocation of cancellation of registration.

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Update on Regulated Sector

S.No	Sector	Update
1	Ministry of Textile	<p><u>Ministry of Textiles has Reopened the application for Production Linked Incentive (PLI) Scheme for Textiles for Promoting MMF and Technical Textiles till August 31, 2023:</u></p> <p>a. Brief on PLI Scheme for Textiles for Promoting MMF and Technical Textiles: The Production Linked Incentive (PLI) Scheme for Textiles for Promoting Man Made Fiber (MMF) and Technical Textiles is designed to facilitate the establishment of sustainable enterprises and foster a competitive textile industry in India.</p> <p>b. Tenure and budget allocation The budget allocated for this scheme is INR 106.83 billion, which will be based on the incremental turnover achieved between FY 2024-25 and FY 2028-29. However, companies that meet both the investment and performance targets one year ahead of schedule will become eligible for the scheme one year earlier, starting from 2024-25 to 2028-29.</p> <p>c. Eligibility criteria The government has relaxed the eligibility criteria (February 2022). According to the new criteria, if a company was registered before the notification date of September 24, 2021, and had not yet commenced production, it would be considered a new company eligible for benefits under the PLI scheme. However, any investments made prior to the notification date will not be considered eligible investments.</p> <p>The PLI Scheme for Textiles for Promoting MMF and Technical Textiles consists of two parts. In Part 1, a minimum investment of INR 3 billion and a minimum turnover of INR 6 billion are required. In Part 2, the minimum investment is INR 1 billion, and the minimum turnover required is INR 2 billion.</p>



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