

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Edition No.269 Week 13 – March 20 2023 to March 26 2023

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Companies Act 2013 during the week

Rules -0; Circulars - 0; Notifications-0; Orders-0; Important Notices -0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
Nil				

S. No	NEWS ON MCA
1	<p><u>Helplines for resolution of issues on MCA21-V3 Portal</u></p> <p>ICSI has issued various helplines for resolving issues faced by Stakeholders in MCA’s V3 Portal. The links are as follows:</p> <p>Incorporation Issues https://bluejeans.com/815328258/8182 Incorporation Issues https://bluejeans.com/374113646/1551 Login and DSC Issues https://bluejeans.com/227306907/6992 Other Company Forms https://bluejeans.com/579582220/8129 LLP related issues https://bluejeans.com/548575136/9998</p>

2	<p><u>Registrar of Companies raids popular Audit Firm: Racket behind Incorporation of over 1500 fraud Companies in Chennai busted.</u></p> <p>The Registrar of Companies, in a search and seizure operation conducted in the registered office of a popular Audit and legal firm in Chennai, "Kanakkupillai.com" registered as Govche India Pvt.Ltd busted a racket involved in forgery and creation of fake documents for incorporating over 1500 companies all over India including the infamous Aarudhra Gold and their group of Companies. Registrar of Companies, the regulatory arm of Ministry of Corporate Affairs is empowered to conduct search and seizure operations under Section 209 of Companies Act 2013.</p>
3	<p><u>Major change in Audit trail, effective from 1st April 2023</u></p> <p>The Ministry of Corporate Affairs (MCA) vide its notification has instructed the Companies employing accounting software to maintain an audit trail of each transaction and creates an edit log of any modification made in the books of account. The programme must also ensure that the audit trail cannot be disabled.</p>

2

SEBI during the week

**Act -0; Reports -0; Circulars- 1; Master Circular- 2; Notification -0; Regulation- 0;
Reports – 0; NSE Circular – 1; BSE Circular – 0; Press Release -0**

S. No	Date of Issue	Rules/Circular/ Notification/ Order	Contents thereof	Gist thereof
1	20/03/2023	Master Circular	Master Circular for Portfolio Managers	For effective regulation of Portfolio Managers and to enable the stakeholders to have access to all the applicable requirements governing Portfolio Managers, SEBI has released the Mater Circular on Portfolio Managers. The Master Circular is a compilation of all existing Circulars.
2	21/03/2023	NSE Circular	Path of filing of disclosures related to Corporate Action on NEAPS Portal	The listed entities are requested to note that a separate tab for Corporate Actions is available on the NEAPS Portal (i.e., NEAPS – Compliance – Announcements -Announcements/CA - Intimation Type: Corporate Action). Thus, all intimation regarding Record Date or Book Closure Dates for any Corporate Action is to be filed separately under the above tab. The non-intimation of Record Date or Book Closure Dates separately under Regulation 42 may result in the Exchange not taking the same on record and <u>listed entities will be responsible for subsequent consequences.</u>

3	23/03/2023	Circular	E-wallet investments in Mutual Funds	SEBI had issued a Circular to ensure that, all e-wallets permitted for use in Mutual Funds are fully compliant with KYC norms as prescribed by Reserve Bank of India. Initially, SEBI permitted use of e- wallet for investment in Mutual Funds within the umbrella limit of INR 50,000 for investments by an investor through both e-wallet and/or cash, per Mutual Fund per financial year.
4	23/03/2023	Master Circular	Surveillance on Securities Market	For effective regulation of Surveillance measures in the Securities market and to enable the stakeholders to have access to all the applicable requirements, SEBI has released the Mater Circular on Surveillance measures. The Master Circular is a compilation of all existing Circulars.

S.No	NEWS ON SEBI
1.	<p><u>Penalty Structure for Non-display of Brokerage, Statutory &Regulatory Levies to the investors</u></p> <p>BSE in consultation with SEBI and other Exchanges has prescribed a monetary penalty of Rs 50,000/- for any non-display of Brokerage, Statutory and Regulatory levies on Internet Based Trading (IBT) / Wireless Trading (WT) applications</p>
2.	<p><u>SEBI set to end permanent board positions.</u></p> <p>The Securities and Exchange Board of India (Sebi) is set to clear several proposals including putting an end to permanent board memberships, reining in special rights, introducing an ASBA-like system for stock market trades and allowing private equity funds to become sponsors of mutual funds. The Sebi board is scheduled to meet on March 29. Application Supported by Blocked Amount or ASBA is a mechanism used in initial public offers — the buyer’s funds are blocked in the bank account but only flows out once the allotment is confirmed.</p>

3. SEBI relief for investors holding physical shares.

Investors holding physical share certificates have got a reprieve, with the Securities and Exchange Board of India extending the timeline for complying with know your customer (KYC) norms from March 31 to September 30. It is now mandatory for all holders of physical securities in listed companies to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folio numbers to their registrar and transfer agents

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RBI during the week

Notifications - 0; Master Directions –0;Master Circulars –0;Press Release:1



S.No	Date of Issue	Rules/Circular/ Notification/ Order/Press release	Subject	Gist thereof
1	22/03/2023	Press release	New Greenfield Data Centre and Enterprise Computing and Cybersecurity Training Institute of RBI	Governor of RBI laid the foundation stone for establishment of “New Greenfield Data Centre and Enterprise Computing and Cybersecurity Training Institute of RBI” in Odisha. The Institute will cater to the emerging requirements of Reserve Bank and financial sector.

S.No	NEWS ON RBI
1	<p><u>Banks reach out to RBI, seek easing of MSME bad loan rules</u></p> <p>Banks have reached out to the Reserve Bank seeking relaxation in recognition of non-performing assets in the MSME sector. Banks want that a restructured MSME account under the Covid package be considered NPA from the latest date and not from the date prior to restructuring. This will give some relief to banks as it would lessen their provisioning burden. This comes after, in certain cases, banks were told to treat such accounts as bad loans starting from when they were restructured and accordingly make provisions.</p>

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IBC during the week
Notification -0; Master Direction – 0; Circulars – 0; Press Release -0

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

S.No	NEWS ON IBC
1	<p><u>Corporate Debtor not being a going concern, termination of essential raw material supply doesn't erode Value of Assets: NCLT Ahmedabad</u></p> <p>The National Company Law Tribunal (“NCLT”), while adjudicating a petition filed in Sundaresh Bhat v Mangalore Refinery and Petrochemicals Limited, has held that Section 14 of IBC seeks to preserve the ‘going concern’ status ‘if’ the Corporate Debtor is a running unit. In case the Corporate Debtor is not a going concern, it cannot be contended that termination of contract of essential raw material resulted in erosion of asset value. Further, the residuary jurisdiction of Adjudicating Authority under Section 60(5)(C) of the IBC is limited and cannot be invoked to interpret terms of third-party contract.</p>
2	<p><u>Section 9 Application must stand the test laid down by SC In M/s S.S. Engineers Vs HPCL: NCLT Jaipur</u></p> <p>The National Company Law Tribunal, while adjudicating an application under Section 9 of Insolvency and Bankruptcy Code, 2016 (“IBC”) in Narayan Organics Private Limited Vs Prayag Polytech Private Limited has held that an application under Section 9 of IBC must stand the test laid down by the Hon’ble Supreme</p>

Court in M/S S.S. Engineers Vs Hindustan Petroleum Corporation Ltd. & Ors. whereby it was held that Operational Creditors can only trigger Corporate Insolvency Resolution Process ('CIRP') ' <i>when there is an undisputed debt and a default in payment thereof</i> '.

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Others during the week

NSE-0; BSE-0; DIPP-0; Finance Ministry-0; Others -0;

S. No	Date	Rules/Circular/ Notification/Order/ Press Release	Contents thereof	Gist thereof
NIL				

S NO	GENERAL NEWS
1	<p><u>The ICSI-Registered Valuers Organization inks MOU with the Royal Institution of Chartered Surveyors (India)</u></p> <p>The ICSI-Registered Valuers Organization (ICSI-RVO) signed an MOU with the Royal Institution of Chartered Surveyors (RICS) India Pvt. Ltd. on 21 March 2023 in New Delhi.</p> <p>The objective of this MOU is to facilitate a comprehensive partnership in imparting knowledge and honing the skills of students, registered valuers, and professionals of both Institutes. The association would inter alia promote excellence in Academics, Research and Training</p>
2	<p><u>Exposure Draft - Guidance Note on Transfer of Capital Reserve</u></p> <p>Research Committee of the Institute of Chartered Accountants of India has released an Exposure Draft of the 'Guidance Note on Transfer of Capital Reserve'.</p>

<p>3</p>	<p><u>No mandatory requirement of Aadhaar for MSME Udyam Registration: Centre to Gujarat High Court</u></p> <p>The Ministry of Micro, Small and Medium Enterprises (MSME) informed the Gujarat High Court that there is no mandatory requirement of Aadhaar Number for registration of businesses with MSME Udyam Registration. The Court was hearing a PIL seeking quashing of the part of the Notification dated June 26, 2020 issued by MSME, so far as it allegedly mandatorily demands Aadhaar Number from the business persons for MSME Udyam registration.</p>
<p>4</p>	<p><u>Assessee not responsible to explain recipients of receipts shown in Form No. 26AS: ITAT</u></p> <p>The Delhi Bench of Income Tax Appellate Tribunal (ITAT) has held that the assessee is not responsible to explain the recipients of the receipts shown in Form No. 26AS. The two-member bench of Anubhav Sharma (Judicial Member) and N.K. Billaiya (Accountant Member) while deleting the additions observed that the Assessing Officer should have asked the payer, for details of the payee to whom payments have been made by the payer on which it could deduct tax at source.</p>
<p>5</p>	<p><u>100% stamp duty exemption to MSME units in Bundelkhand</u></p> <p>The State government of Uttar Pradesh has amended certain provisions of the MSME Act, related to stamp duty provisions. Under the new provisions, private investors must provide bank guarantees to avail exemptions in the stamp duty provided by the policy. The bank guarantee will be returned after the commencement of commercial production in the unit.</p>

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Update on Regulated Sector

S.No	Sector	Update
NIL		



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