

**WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC**

**Edition No.275 Week 19 – May 01 2023 to May 07 2023**

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**Companies Act 2013 during the week**

**Rules -0; Circulars - 0; Notifications-1; Orders-0**

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	03-05-2023	Notification	Company (Removal of Names) Rules	<p>Amendments to Rule 3 and 4 of Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 commences with effect from 01/05/2023</p> <p>a) Application shall be made for removal of name of a company under 248 (2) to Registrar, Centre for Processing Accelerated Corporate Exit by filing form STK-2</p> <p>b) As per the omission in Rule 3(iv) names of companies having any pending litigations or response to notices of Registrar as provided in the Rule, can still be struck off.</p>

				<p>c) New Rule 3(A) has been inserted for establishing ROC shall be exercising functional jurisdiction of processing and disposal of applications made in Form No. STK-2 as given in Section 396 (1) of Companies Act, 2013</p> <p>d) Roll out of new format of STK-2 in V3 and new formats for STK-6 and STK-7 in V3 portal</p>
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<b>S. No</b>	<b>NEWS ON MCA</b>
	<b>NIL</b>

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## SEBI during the week

**Circulars– 3; NSE Circular – 0; Press Release - 0**

S. No	Date of Issue	Rules/Circular/ Notification/ Order	Contents thereof	Gist thereof
1	03-05-2023	Circular	<b>Introduction of Legal Entity Identifier (LEI) for issuers who have listed and/ or propose to list non-convertible securities, securitised debt instruments and security receipts</b>	RBI Directions mandate non-individual borrowers having aggregate exposure of above Rs. 25 Crore, to obtain Legal Entity Identifier (LEI) Code. Pursuantly, SEBI vide its circular SEBI/HO/DDHS/DDHS_Div1/P/CIR/2023/64 has introduced LEI for issuers who have listed and/or propose to list non-convertible securities, securitised debt instruments and security receipts. This circular shall come into force with immediate effect.
2	05-05-2023	Circular	<b>Testing Framework for the Information Technology (IT) systems of the Market Infrastructure Institutions (MIIs)</b>	Based on the recommendations of the Technology Advisory Committee (TAC), MIIs are hereby directed to ensure the requirements listed out vide SEBI Circular SEBI/HO/MRD/TPD/P/CIR/2023/65 while establishing the testing framework of their IT systems/applications. The stock exchanges, clearing corporations and depositories are required to take necessary steps to put in place systems for implementation of the

				circular, including necessary amendments to the relevant byelaws, rules and regulations, if any. The circular shall come into force with immediate effect.
<b>3</b>	<b>04-05-2023</b>	<b>Circular</b>	<b>Additional requirements for the issuers of transition bonds</b>	<p>In line with the revised definition of ‘green debt security’ notified in the SEBI (Issue and Listing of Non- Convertible Securities) Regulations, 2021 on February 2, 2023, vide its circular SEBI/HO/DDHS/DDHS_Div1/P/CIR/2023/66 has decided to prescribe certain additional requirements for issuance and listing of ‘Transition Bonds, as follows:</p> <ul style="list-style-type: none"> <li>i. Disclosure in the offer document for public issues /private placements of such transition bonds</li> <li>ii. Disclosure in the Centralised Database for corporate bonds</li> <li>iii. Disclosure to Stock Exchanges, in case of a revision in the transition plan</li> <li>iv. Disclosure in the Annual report.</li> </ul>

<b>S.No</b>	<b>NEWS ON SEBI</b>
	<b>NIL</b>

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**RBI during the week**  
**Notifications - 0; Master Directions – 1; Press Release:0**

S.No	Date of Issue	Rules/Circular/ Notification/ Order/Press release	Subject	Gist thereof
1	05-05-2023	Master Direction	Amendment to Master Direction - Know Your Customer (KYC) Direction	RBI vide its Master Direction DBR.AML.BC. No.81/14.01.001/2015-16 has amended the Know Your Customer (KYC) Direction, 2016

S.No	NEWS ON RBI
	NIL

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**IBC during the week**  
**Notification -0; Master Direction – 0; Circulars – 0; Order -0**

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

S.No	NEWS ON IBC			
NIL				

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**Others during the week**  
**IEC – 1; DIPP–0; Finance Ministry–1; PMLA –2;**

S. No	Date	Rules/Circular/ Notification/Order/ Press Release	Contents thereof	Gist thereof
1	01-05-2023	Notification	<b>Realignment of RoDTEP Schedule w.e.f 01.05.2023 consequent to amendments made under Finance Bill, 2023</b>	Consequent to enactment of Finance Bill, 2023, certain changes in RoDTEP Schedule (Appendix 4R) are being made w.e.f. 01.05.2023 to align it with the First Schedule of the Custom Tariff Act. In accordance, the Central Government hereby makes the below mentioned amendments/additions: <ul style="list-style-type: none"> <li>i. 149 tariff lines at 8 Digital level are added in the Remission of Duties or Taxes on Export Products Scheme (RoDTEP) rates/value caps are available at the DGFT portal.</li> <li>ii. 52 tariff lines at 8 Digital level are deleted from the RoDTEP Schedule.</li> </ul>

2	03-05-2023	Notification	Reporting Entity as defined in Section 2(1) (wa), read with sec. 2 (1) (sa) of the Prevention of Money Laundering Act, 2002 ('PMLA')	<p>The Ministry of Finance vide notification dated May 03, 2023, has widened the ambit of the term "Reporting Entity" as defined in Section 2(1) (wa), read with sec. 2 (1) (sa) of the Prevention of Money Laundering Act, 2002 ('PMLA').</p> <p>the Central Government hereby notified that the financial transactions carried out by a relevant person on behalf of his client, in the course of his or her profession, in relation to the following activities-</p> <p>(i) buying and selling of any immovable property;</p> <p>(ii) managing of client money, securities or other assets;</p> <p>(iii) management of bank, savings or securities accounts;</p> <p>(iv) organization of contributions for the creation, operation or management of companies;</p> <p>(v) creation, operation or management of companies, limited liability partnerships or trusts, and buying and selling of business entities, shall be an activity for the purposes of said sub-section.</p>
3	28-03-2023	Order	In the matter of M/S. Sun Pharmaceutical Industries Limited	<p><b><u>Penalty imposed on the Secretarial Auditor for not reporting properly:</u></b></p> <p>The Secretarial Auditor had failed to discharge his duties in reporting under Section 143(14) of the Companies Act, 2013 read with Section 188</p>



				<p>and 204 of the Companies Act, 2013. The Secretarial Auditor had not qualified on the correctness of the Related Party Transactions. As there is no specific penalty under Section 143, penalty has been imposed u/s 450 on the Secretarial Auditor for the FY 14-15, 15-16 and 16-17 – Rs. 50,000/- each totaling to Rs. 1,50,000/-.</p> <p><b><u>Penalty imposed on the statutory auditors for not reporting properly:</u></b></p> <p>Statutory Auditors have not properly reported the Related Party Transactions in compliance with the Accounting Standards read with Companies Act 2013. Hence, they have not complied with the provisions of Section 143 (3) of the Companies Act, 2013 read with the relevant Accounting Standards. As there is no specific penalty under Section 143, penalty has been imposed u/s 450 as follows:</p> <p>a. On Deloitte for the FY 14-15, 15-16 and 16-17 – Rs. 50,000/- each totaling to Rs. 1,50,000/-</p> <p>b. On SRBC and Co. for the FY 17-18 – Rs. 50,000/-</p>
4	03-05-2023	Order	<b>MK Rajagopalan (appellant) vs Dr Periasamy Palani Gounder (respondent)</b>	<p><b>Effect of Section 164(2)(b) of the Companies Act, 2013</b></p> <p>The eligibility of Resolution Applicant was challenged on the grounds of automatic disqualification under Section 164(2) (b) of the Companies Act. The Apex Court held that since the DIN status of the appellant was “active</p>

				<p>compliant”, which could not be treated as ineligible and that the disqualification would essentially be a matter of consideration of the registrar of companies.</p> <p>Considering this, it is to be noted that there is no concept of deemed disqualification under Section 164(2) (b) of the Companies Act.</p>
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S NO	GENERAL NEWS
1	<p><b><u>EPFO extends date for filing Applications regarding pension on Higher Wages:</u></b></p> <p>Considering the several representations received from employees, employers and their associations seeking extension of time, it has been decided by the Ministry of Labour to extend the timeline for filing applications would now be till 26<sup>th</sup> June 2023, to facilitate and provide ample opportunity to the pensioners/ members so as to ease out any difficulty being faced by the pensioners.</p>
2	<p><b><u>Format of annual secretarial compliance report:</u></b></p> <p>The Institute of Company Secretaries of India has released the format of annual secretarial compliance report to be issued by listed entity.</p>

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**Update on Regulated Sector**

S.No	Sector	Update
NIL		



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