

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Edition No. 233 - Week 29 - July 11 2022 to July 17 2022

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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><b>Filling up of 08 (Eight) posts of Judicial Member and 11 (Eleven) posts of Technical Member in the National Company Law Tribunal (NCLT)</b></p> <p><a href="https://www.mca.gov.in/bin/dms/getdocument?mfs=mFUB11%252BfQnsj%252BtFvE%252BXvMQ%253D%253D&amp;type=open">https://www.mca.gov.in/bin/dms/getdocument?mfs=mFUB11%252BfQnsj%252BtFvE%252BXvMQ%253D%253D&amp;type=open</a></p> <p>MCA has invited applications to fill up the vacancy for 8 posts of Judicial Member and 11 posts of technical member in NCLT.</p> <p>Qualifications and terms of appointment are detailed in the circular of the link provided.</p>

<b>S. No</b>	<b>NEWS ON MCA</b>
2.	<p>Chartered accountants under the lens as India ups Chinese scrutiny India has tightened scrutiny of China-based firms since 2020, and one of the areas that have been brought into focus is the role of CAs or chartered accountants in setting-up shell companies to launder money to China. The MCA has started the process of inspecting books of accounts of more than 500 Chinese companies. Apart from ZTE and Vivo, this includes Xiaomi, Oppo, Huawei Technologies, and several Indian units of Alibaba Group such as Alibaba.com India E-commerce Pvt. Ltd., and Alibaba Cloud (India) LLP. Indian agencies are probing the local support that two Chinese nationals got in incorporating a company that projected itself as a subsidiary of smartphone maker Vivo. Two chartered accountants and a company secretary are already under the scanner of the investigators, people in the know said.</p>

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**SEBI during the week**

**Act -0; Report -0; Circulars-0; Press Release-0; Notification -0; Regulation- 0**

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
NIL				

S. No	NEWS ON SEBI
1.	<p><b>SEBI's market risk factor disclosures will generate detailed datasets:</b> Commodity Participant Association of India (CPAI) on July 11, 2022, Monday said capital markets regulator SEBI's planned move on market risk factor disclosures will generate detailed datasets. According to sources, the regulator is planning to issue regular 'risk factor disclosures' on market trends, including surges and collapses, to help investors make right decisions by learning from the regulator's insights. The move, which is still in a preliminary stage of discussion, can help investors avoid a herd mentality that has been particularly witnessed during the last couple of years starting with largescale selloffs when the pandemic hit the world in early 2020, followed soon by a sharp surge in buying of stocks without understanding the fundamentals and largely on account of get-rich-quick stories and then subsequent losses.</p>

S. No	NEWS ON SEBI
2	<p><b>Consultation Paper on applicability of SEBI (Prohibition of Insider Trading) Regulations, 2015 to Mutual Fund (MF) units</b></p> <p>SEBI has placed a consultation paper for public comments on applicability of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) to Mutual Fund (MF) units. The objective of this consultation paper is to solicit public comments / views on the proposal to cover dealing in units of Mutual Funds under PIT Regulations so as to harmonize the regulations governing trading in securities, while in possession of Unpublished Price Sensitive Information (UPSI).</p> <p>The public comments may be sent not later than July 29, 2022, in the prescribed format.</p>
3	<p><b>Informal Guidance sought by Deepak Nitrite Limited under SEBI(Prohibition of Insider Trading)</b></p> <p><a href="https://www.sebi.gov.in/sebi_data/commondocs/jul-2022/Deepak_Nitrite_IG_p.pdf">https://www.sebi.gov.in/sebi_data/commondocs/jul-2022/Deepak_Nitrite_IG_p.pdf</a></p> <p>Board of Directors of the company has announced Qualified institutional placements (QIP) of Equity shares. The Promoters and the Promoter group entitles to purchase Equity shares of the company from the open market.</p> <p><b>Q1:</b> Whether pending QIP issue, Its pricing and probable impact on share capital of the company, which is not yet known and shall be determined as per ICD Regulations, be considered as Unpublished Price Sensitive Information?</p> <p><b>A1:</b> QIP issue will increase the capital of the company and in turn lead to a “change in capital structure” of the company, which in turn is UPSI as per Regulation 2(1)(n) of PIT regulations.</p> <p><b>Q2:</b> Whether Individual Promoters which include the Chairman &amp; Managing Director and Executive Director &amp; CEO of the company or any member of the promoter group can purchase shared of the company from open market during the pendency of QIP?</p> <p><b>A2:</b> Since The Chairman &amp; Managing Director and Executive Director &amp;CEO of the company are “connected persons” and thereby deemed to be “insiders” they will be in possession or access of UPSI as per PIT regulations so they cannot purchase shared of the company from open market during the pendency of QIP</p>

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**RBI during the week**

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

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1.	11/07/2022	Notification	International Trade Settlement in Indian Rupees (INR) <a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12358&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12358&amp;Mode=0</a>	RBI has decided to put in place an additional arrangement for invoicing, payment, and settlement of exports/imports in rupee. The new mechanism will also address issues related to invoicing, exchange rate as well as settlement

S. No	NEWS ON RBI
1.	NIL

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**IBC during the week**

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

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
NIL				

S. No	NEWS ON IBC
1.	<p><b>NCLT Have The Power To Replace Liquidator Under Insolvency And Bankruptcy Code, 2016:</b> NCLT Chennai held that the NCLT has the power to replace the liquidator during the liquidation process of a Corporate Debtor under the Insolvency and Bankruptcy Code, 2016. NCLT initiated the Corporate Insolvency Resolution Process (CIRP) of Jeypore Sugar Company Limited (Jeypore Sugar) on 25.02.2019 and thereafter initiated the liquidation process of Jeypore Sugar on 29.05.2020 and appointed Mr. Venkata Sivakumar as the Liquidator. The Applicant IDBI bank filed an application before NCLT seeking the removal of the liquidator. It was contended on behalf of the Applicant that the liquidator did not have valid authorization at the time of his appointment and by giving his written consent for appointment as Liquidator, he has suppressed material facts before NCLT.</p>

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**Others during the week**

**NSE-0; BSE-0; DIPP-0; Finance Ministry-0; Others -3;**

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1.	12/07/2022	Notification	Income-tax (Twenty Second Amendment) Rules, 2022 <a href="https://egazette.nic.in/WriteReadData/2022/237264.pdf">https://egazette.nic.in/WriteReadData/2022/237264.pdf</a>	<p>CBDT has issued the Income-tax (Twenty Second Amendment) Rules, 2022 to further amend the Income-tax Rules, 1962 as follow:</p> <p>Rule 16 which specifies “Declaration under Section 158A” has been renumbered to Rule 15A New Rule 16 which specifies “Application under section 158AB to defer filing of appeal before the Appellate Tribunal or the jurisdictional High Court” has been inserted namely: -</p> <p>“The application referred to in sub-section (2) of section 158AB, required to be made before the Appellate Tribunal or the jurisdictional High Court, as the case may be, shall be made in Form No. 8A by the Assessing Officer”</p>

3	12/07/2022	Notification	<p><b>Publication of Controlled Delivery (Customs) Regulations 2022</b></p> <p><a href="https://egazette.nic.in/WriteReadData/2022/237263.pdf">https://egazette.nic.in/WriteReadData/2022/237263.pdf</a></p>	<p>The proper officer having a reasonable belief, that a suspect consignment, is being imported into or exported out of India, in the form of the baggage or otherwise, shall file a report in FORM-I proposing to undertake controlled delivery of such consignment and the report so-filed by the proper officer, shall be put up before the specified authority for approval of undertaking such controlled delivery.</p>
4	15/07/2022	Notification	<p><b>Securities Contracts (Regulation) Act, 1956</b></p> <p><a href="https://egazette.nic.in/WriteReadData/2022/237325.pdf">237325.pdf (egazette.nic.in)</a></p>	<p>Central Government vide this notification declare “zero coupon zero principal instruments” as securities for the purposes of the SCRA.</p> <p>“zero coupon zero principal instrument” means an instrument issued by a Not for Profit Organisation which shall be registered with Social Stock Exchange segment</p>



	<b>GENERAL NEWS</b>
1.	<p><b>Prices of curd and lassi to go up as GST exemptions end</b></p> <p>The prices of curd, lassi and buttermilk are expected to rise as a result of the GST council's decision to eliminate the GST exemptions on repackaged, relabelled, and packaged buttermilk, curd, and lassi.</p>

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### Update on Regulated Sector

S.No	Sector	Update
1.		NIL



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