

1

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	MCA has announced on 21/10/2022 that to avoid last minute rush on the MCA21 portal on account of Financial Statement/Statement of Account and Solvency and Annual Return filings for the Financial year 2021-22, Companies/LLPs should complete their filings well before their due date without postponing it to the last days

2

MCA imposes a penalty of 1138000 for the non-appointment of a Company Secretary

The Ministry of Corporate Affairs(MCA) has issued an order for Penalty under Section 454 for violation of Section 203 of the Companies Act, 2013, and imposed a penalty of Rs. 11,38,000/- for the non-appointment of a Company Secretary for M/s. Elanco India Private Limited.

2

SEBI during the week

Act -0; Report -0; Circulars-1; Press Release-1; Notification -0; Regulation- 0

S. No	Date of Issue	Rules/Circular/ Notification/ Order	Contents thereof	Gist thereof
1	20/10/2022	Press Release	<p>Request for Quote (RFQ) platform for trade execution and settlement of trades in listed Non-convertible Securities, Securitised Debt Instruments, Municipal Debt Securities and Commercial Paper</p> <p>https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListingAll=yes#:~:text=Request%20for%20Quote%20(RFQ)%20platform%20for%20trade%20execution%20and%20settlement%20of%20trades</p>	<p>SEBI allowed stockbrokers to place bids on the RFQ platform on behalf of their clients to facilitate wider participation in the corporate bond market. This is in addition to the existing option of placing bids in a proprietary capacity. The new norm will come into effect from 1st January 2023.</p> <p>The RFQ or Request for Quote platform is a system or interface for inviting and/or giving quotes on an electronic platform.</p> <p>The platform was introduced as a 'participant-based' model, wherein all regulated entities, listed corporate bodies, institutional investors and all Indian financial institutions were eligible to register, access and transact.</p>

		<p>Circular</p>	<p><u>%20in%20listed%20Non%2Dconvertible%20Securities%2C%20Securitized%20Debt%20Instruments%2C%20Municipal%20Debt%20Securities%20and%20Commercial%20Paper</u></p> <p>SEBI allows brokers to place bids on RFQ platform; Secondary market in corporate bonds to get a boost</p> <p><u>https://www.sebi.gov.in/media/press-releases/oct-2022/sebi-allows-brokers-to-place-bids-on-rfq-platform-secondary-market-in-corporate-bonds-to-get-a-boost_64272.html</u></p>	<p>To enhance liquidity on the RFQ platforms of the stock exchanges, SEBI has mandated registered Mutual Funds and Portfolio Management Services, to undertake a specified percentage of their total secondary market trades in Corporate Bonds through RFQ platform of stock exchanges. IRDAI has also prescribed similar stipulations for Insurers. Since its introduction, the percentage of RFQ trades to total trades in the bond market has been growing and presently stands around 30%.</p>
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S.No	NEWS ON SEBI
1	<p>Informal Guidance to PNB Investment Services Ltd with respect to Regulation 13A of the SEBI (Merchant Bankers) Regulations, 1992.</p> <p>GIST:</p> <p>PNB Investment Services Ltd is a wholly owned subsidiary of Punjab National bank (PNB) registered as category 1 Merchant banker under SEBI. PNB Investment Services Ltd is a debenture trustee under SEBI. Now it wishes to act as a Direct selling agent (DSA) for PNB .</p> <p>Q: Can a company which is registered as category 1 Merchant banker also act as DSA?</p> <p>A: Regulation 13A of Merchant Banker regulations clearly states that a merchant banker cannot carry on any business other than in the securities market.</p> <p>The extract of the regulation is as under :</p> <p>Regulation 13A : No merchant banker, other than a Bank or a Public Financial Institution, who has been granted a certificate of registration under these regulations shall carry on any business other than that in the securities market.</p> <p>Since the referral activities for non-security related products does not fall under the activities permitted by regulations 13A , PNB investment service is not permitted to undertake such business(DSA)</p>

3

RBI during the week

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

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	17/10/2022	Press Release	RBI Bulletin – October 2022 https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54553	<p>The Reserve Bank of India, released the October 2022 issue of its monthly Bulletin.</p> <p>The Bulletin includes one speech, five articles and current statistics.</p> <p>The five articles are:</p> <ol style="list-style-type: none"> I. State of the Economy II. Estimation of Green GDP for India III. ‘Bigtechs’ in the Financial Domain: Balancing Competition and Stability IV. Market Returns and Flows to Debt Mutual Funds V. Financial Liabilities of Household Sector in India – An Assessment.

S. No	NEWS ON RBI
1	India Post Payments Bank (IPPB) and Reserve Bank Innovation Hub (RBIH) joined hands to focus their efforts on enhancing the reach of financial solutions to large sections of society across India and enabling frictionless finance to a billion Indians. Under the arrangement IPPB and RBIH will plan, design and execute innovative products and offerings to bridge the existing gap by bringing digitalized services at the customer's doorstep.

4

IBC during the week

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

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

S. No	NEWS ON IBC
1.	The National Company Law Tribunal ("NCLT") as the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 ("the Code"), can admit or reject an application filed by a financial creditor to initiate a corporate insolvency resolution process ("CIRP") against a corporate debtor. In a September 2022, decision of the National Company Law Appellate Tribunal, ("NCLAT"), New Delhi, in Ocean Deity Investment Holdings Limited, PCC v. Suraksha Asset Reconstruction Limited, and Anr.[1], it has been observed that the mere existence of debt and default does not imply that an application under Section 7 of the Code is required to be admitted, thereby clarifying the law on the powers of the Adjudicating Authority while dealing with Section 7 applications.

<p>2.</p>	<p>Operational Creditor Cannot Change The 'Date Of Default' By Confining The Invoices To A Later Period: NCLT Mumbai, while adjudicating a petition filed in M/s Shri Sadguru Traders v M/s Gajalee Coastal Foods Pvt. Ltd., has reiterated that the Operational Creditor cannot change the 'date of default' by confining the invoices to a later period. Especially when the Demand Notice under Section 8 of IBC includes all the invoices from the date of default and the 'debt amount' is crystallized based on the invoices.</p>
<p>3.</p>	<p>RPs face interim financing issues on settlement delays; loss-making companies worst-hit</p> <p>Resolution professionals managing companies undergoing insolvency proceedings are facing funding challenges as settlement is taking longer than anticipated. The Insolvency and Bankruptcy Code (IBC) allows for interim financing to existing creditors of an insolvent company for routine functioning, but most lenders are wary of any additional exposure.</p>
<p>4.</p>	<p>Related Party Of Financial Creditor Not Barred U/S 29A To Submit A Resolution Plan: NCLT Cuttack</p> <p>The National Company Law Tribunal ("NCLT"), Cuttack Bench, comprising of Shri P. Mohan Raj (Judicial Member), while adjudicating an application filed in Trimex Industries Pvt. Ltd. v M/S. Sathavahana Ispat Ltd. & Ors., has held that the IBC does not bar a related party of the Financial Creditor from submitting a resolution plan for the Corporate Debtor. Further, an application based upon future contingencies or apprehensions is unsustainable.</p>

5

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	19/10/2022	Press Release	Notification issued for MSME enterprises to continue to avail of all non-tax benefits https://pib.gov.in/PressReleasePage.aspx?PRID=1869091	The Ministry of MSME has notified that in case of an upward change in terms of investment in plant and machinery or equipment or turnover or both, and consequent re-classification, an enterprise shall continue to avail of all non-tax benefits of the category it was in before the re-classification, for a period of three years from the date of such upward change.
2	13/10/2022	Notification	Notification No. 114 https://incometaxindia.gov.in/communications/notific	The Central Government specifies to include the pension fund, namely, 2589555 Ontario Limited (PAN: AABCZ1393D), (hereinafter referred to as “the assessee”) as the specified person for the purposes of the sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter

				referred to as the “the said investments”) subject to the fulfillment of the certain conditions.
3	14/10/2022	Notification	Notification No. 115 https://incometaxindia.gov.in/comunications/notific	The Central Government specifies to include the sovereign wealth fund, namely, Norges Bank On Account Of The Government Pension Fund Global (PAN: AACCN1454E), (hereinafter referred to as “the assessee”) as the specified person for the purposes of the sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “the said investments”) subject to the fulfilment of the certain conditions.

	GENERAL NEWS
	NIL

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Update on Regulated Sector

S.No	Sector	Update
1.	RBI	<p>IT governance rules: RBI releases draft guidelines for regulated entities</p> <ul style="list-style-type: none"> • The RBI is going to ask the regulated entities to establish a board level IT strategy committee, which will have a minimum of two directors as members, and at least one of them must have substantial expertise in managing/ guiding technology initiatives. This committee will ensure that the entity has put in place an effective IT strategic planning process in place. • According to RBI, the chief executive officer of the regulated entity will have the overall responsibility and institute an effective oversight on the plan and execution of IT Strategy • The regulated entities will also have to appoint a head of IT operations, who is technically competent and experienced in IT related aspects. The person will be responsible for ensuring implementation of IT policy, IT strategy and vision of the regulated entity among a host of other things such as putting in place a documented IT standard operating procedure.

2	RBI	<p>Too big to fail 'Bigtechs' pose systemic risks to financial stability: RBI paper</p> <ul style="list-style-type: none"> • Large non-financial technology firms, referred to as “bigtechs,” pose challenges to financial stability owing to their technological advantages, large user base, wide-spread use by financial institutions and network-effects, according to an RBI paper. • The complex governance structure of bigtechs limits the scope for effective oversight and entity-based regulations. • A greater threat is due to the operational risk emanating from any failure of non-financing services, which could create a significant event in financial services. • Globally, regulators are wary of bigtechs’ impact on competition and market contestability, consumers’ data privacy rights, and financial intermediation and stability. • In India, efforts have been made for local storage of payment data and to bring critical payment intermediaries into the formal framework.
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