

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Edition No.251- Week 47- November 14 2022 to November 20 2022

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.	<p><b>Over 51,600 companies are being removed from records</b></p> <p>More than 51,600 companies are being removed from official records, with the ministry of corporate affairs steadily stepping up action against companies defaulting on filing annual returns, official data showed. At the end of September, over 2,450 companies were given dormant status, and will not face any action for not filing annual returns, the ministry said in a monthly update. It also said that 51,693 companies are in the process of getting struck off from the register. Companies face the risk of being removed from official records under section 248 of the Companies Act if the Registrar of Companies has reason to believe that a firm has not been carrying out any business for two immediately preceding financial years and has not applied for dormant status.</p>

2

**SEBI during the week**

**Act -0; Report -0; Circulars–1; Master Circular-0; Notification –1; Regulation- 3**

S. No	Date of Issue	Rules/Circular/ Notification/ Order	Contents thereof	Gist thereof
1	14/11/2022	Circulars	<p><b>Registration and regulatory framework for Online Bond Platform Providers</b></p> <p><a href="https://www.sebi.gov.in/legal/circulars/nov-2022/registration-and-regulatory-framework-for-online-bond-platform-providers_65014.html">https://www.sebi.gov.in/legal/circulars/nov-2022/registration-and-regulatory-framework-for-online-bond-platform-providers_65014.html</a></p>	<p>Online Bond Platform Providers would be companies incorporated in India and they should register as stock brokers in the debt segment of the stock exchange, as per the framework effective immediately.</p> <p>The entity would have to</p> <ul style="list-style-type: none"> <li>• Ensure compliance with regulation 51A of the NCS Regulations</li> <li>• Have comprehensive risk management framework covering all aspects of its operations</li> <li>• Have appropriate safeguards to deal with exigencies like suspension of trading in debt securities, cancellation of orders by investors and sellers</li> </ul>

				<ul style="list-style-type: none"> <li>• Inform Stock exchange of events resulting in disruption of activities or market abuse without undue delay</li> <li>• The circular shall come in</li> </ul>
2	15/11/2022	Regulations	<b>Securities and Exchange Board of India (Alternative Investment Funds) (Fourth Amendment) Regulations, 2022</b> <a href="https://www.sebi.gov.in/legal/regulations/nov-2022/securities-and-exchange-board-of-india-alternative-investment-funds-fourth-amendment-regulations-2022_65161.html">https://www.sebi.gov.in/legal/regulations/nov-2022/securities-and-exchange-board-of-india-alternative-investment-funds-fourth-amendment-regulations-2022_65161.html</a>	<p>The Amendment has inserted the following regulations in SEBI (AIF) regulations.</p> <ul style="list-style-type: none"> <li>• The manner of calculating the tenure of a close ended scheme of an Alternative Investment Fund, including the manner of modification of the tenure, may be specified by the Board from time to time.</li> <li>• Manager and either trustee/Board/Designated partners of AIF shall ensure that assets and liabilities of each scheme of an AIF are segregated and ring – fenced from other schemes of the AIF and Bank accounts, securities account of each scheme are segregated, and ring fenced.</li> </ul>
3	15/11/2022	Regulations	<b>Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022</b>	<ul style="list-style-type: none"> <li>• The Amendment has introduced a new proviso in Regulation 25, sub regulation (2A) wherein, the appointment of Independent director fails to get the majority of the votes but votes cast in favour of such resolution by public shareholders exceed the votes</li> </ul>

[https://www.sebi.gov.in/legal/regulations/nov-2022/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-sixth-amendment-regulations-2022\\_65048.html](https://www.sebi.gov.in/legal/regulations/nov-2022/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-sixth-amendment-regulations-2022_65048.html)

cast against, then the appointment of Independent Director shall be deemed to be made under sub regulation (2A).

- An Independent Director appointed under sub regulation (2A) shall be removed only if votes cast in favour of such removal exceeds the votes cast against and the votes cast against Public shareholders exceeds the votes cast against the resolution.
- In Reg 52 , for the last quarter of the financial year, the listed entity shall submit un-audited or audited quarterly and year to date standalone financial results within sixty days from the end of the quarter to the recognised stock exchange(s)
- The listed entity that has listed non-convertible debt securities or non-convertible redeemable preference shares, intends to undertake a scheme of arrangement or is involved in a scheme of arrangement under sections 230-234 and section 66 of the Companies Act, 2013, shall file the draft scheme of arrangement with the stock exchange(s), along with a non-refundable fee as specified in Schedule XI, for obtaining the No-objection letter, before filing of such scheme with the National Company Law Tribunal, in terms of the requirements specified by the Board or stock exchange(s) from time to time.

4	16/11/2022	Regulations	<p><b>Securities and Exchange Board of India (Mutual Funds) (Third Amendment) Regulations, 2022</b></p> <p><a href="https://www.sebi.gov.in/legal/regulations/nov-2022/securities-and-exchange-board-of-india-mutual-funds-third-amendment-regulations-2022_65163.html">https://www.sebi.gov.in/legal/regulations/nov-2022/securities-and-exchange-board-of-india-mutual-funds-third-amendment-regulations-2022_65163.html</a></p>	<p>As per the Third Amendment, every mutual fund and asset management company shall transfer to unit holders the dividend payments or redemption proceeds within such period as may be specified by the Board from time to time. In the event of failure to transfer, the AMC shall be liable to pay interest to unit holders at such rates as may be specified by the SEBI. The AMC shall also be liable for failure to transfer redemption proceeds / dividend payments within the stipulated period.</p>
5	15/11/2022	Notification	<p><b>Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) (Second Amendment) Regulations, 2022</b></p> <p><a href="https://egazette.nic.in/ViewDocument.aspx?id=240310">240310.pdf (egazette.nic.in)</a></p>	<p>The following regulation shall be inserted, in the SEBI (Stock exchanges and clearing corporations)</p> <p>“Orderly Winding Down</p> <p>44A(1) Every clearing corporation shall devise and maintain a framework for orderly winding down of its critical operations and services covering both voluntary and involuntary scenarios.</p> <p>(2) Every clearing corporation shall ensure that the framework provides for:- a. the timely and orderly settlement or cessation or transfer of position(s), and/ or; b. the transfer of the collateral(s) or deposit(s) or margin(s) or any other asset(s) of the members to another recognized clearing corporation that would take over the operations of the clearing corporation, and/or; c. such other related matter.</p>

				(3) The framework referred to in sub-regulation (1) above, shall be in accordance with the guidelines specified by the Board in this regard from time to time.
--	--	--	--	--

S.No	NEWS ON SEBI
1	<p><b>New guidelines for financial influencers under work, says Sebi</b></p> <ul style="list-style-type: none"> <li>• Sebi is formulating guidelines for financial influencers or finfluencers, curbing unsolicited and rampant stock recommendations and financial advice on social media platforms without availing SEBI’s registration</li> <li>• Data shared by Advertising Standard Council of India (ASCI), for the FY 2021-22 there were 415 instances of violations by influencers and celebrities in finance and cryptocurrency.</li> <li>• The present ASCI guidelines for finfluencers does not cover stock recommendations</li> <li>• Legal experts are of the opinion that, the new guidelines could include clear definitions for finfluencers, including introduction of certification, licensing or registration to bring in accountability</li> </ul>
2	<p><b>India International Trade Fair 2022</b></p> <ul style="list-style-type: none"> <li>• An important mandate for SEBI is the spreading of investor awareness and investor education.</li> <li>• As part of this endeavour, SEBI is setting up a Pavilion 'BHARAT KA SHARE BAZAAR' at the 41st India International Trade Fair (IITF- 2022) from 14th - 27th November 2022 in New Delhi.</li> <li>• Along with SEBI, other Market Infrastructure Institutions and Industry Associations viz., NSE, BSE, NSDL, CDSL, AMFI, NCDEX, MCX, CPAI and ANMI are also participating.</li> <li>• The theme of the event for this year is ‘NIVESH KA AMRITKAL’.</li> </ul>

3

**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.	14/11/2022	Notification	<p>Agency Commission for Direct Tax collection under TIN 2.0 regime</p> <p><a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12408&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12408&amp;Mode=0</a></p>	<ul style="list-style-type: none"> <li>• Transactions on Agency commission claims with respect to Direct tax collection under TIN 2.0 regime will be settled at Mumbai Regional Office of Reserve Bank of India.</li> <li>• All agency banks, authorized to collect direct tax collection under TIN 2.0, are advised to submit their agency commission claims pertaining to the respective receipt transactions at Mumbai Regional Office only. The agency commission for transactions related to direct tax under OLTAS will be continued to be settled at CAS, Nagpur, RBI.</li> </ul>

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



4

**IBC during the week**

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

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

S. No	NEWS ON IBC
1.	<b>Govt asks state-owned firms to consider insolvency court to shut loss-making units</b> : India has asked state-owned firms to consider moving the country's insolvency court to shut loss-making units, hoping for speedier resolutions as the government looks to slim down its public sector holdings. Public sector companies will have to file an insolvency application under the Insolvency and Bankruptcy Code (IBC) for the resolution of a loss-making unit within three months of approval from a committee comprising top cabinet ministers, according to guidelines released by the government on Monday. The government is looking to close loss-making units in nearly nine months from the day a firm seeks approval to do so.

**2. Advance Paid Towards Service Is Operational Debt: NCLAT Delhi**

The National Company Law Appellate Tribunal ("NCLAT"), while adjudicating an appeal filed in Chipsan Aviation Private Limited v Punj Llyod Aviation Limited, has held that an advance paid towards a service falls within the definition of operational debt, even if there was no privity of contract between the Parties. Chipsan Aviation Pvt. Ltd. ("Appellant/Operational Creditor") was engaged in business with Punj Llyod Aviation Limited ("Respondent/Corporate Debtor"), , for charter services of airplanes and helicopters, hired on long-term basis from non-scheduled operators/owners.

5

**Others during the week**

**NSE-0; BSE-0; DIPP-0; Finance Ministry-0; Others -1;**

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	15/11/2022	Office of Controller general Patents, Designs & Trade Marks - Notice	Notice for conducting Trade Marks Agent Examination 2023 and Patent Agent Examination 2023 <a href="https://ipindia.gov.in/newsdetail.htm?846">https://ipindia.gov.in/newsdetail.htm?846</a>	The office of the Controller General of Patents, Designs & Trade Marks announces that the Trade Marks Agent Examination 2023 and Patent Agent Examination 2023 are likely to be held on 07/05/2023. Candidates who are willing to appear in Trade Marks Agent Examination 2023 may check their eligibility as per the provision under Rule 144 of the Trade Marks Rules, 2017. Similarly, candidates who are willing to appear in the Patent Agent Examination 2023 may check their eligibility as per the provision under Section 126 of the Patents Act, 1970 (as amended).

**GENERAL NEWS**

- |    |   |
|----|---|
| 1. | <p><b>NI Act   Complainant Can't Seek To Prosecute Company's Former Directors For Cheque Issued To Repay Amount Invested When They Held Office:</b></p> <p>The Karnataka High Court has quashed the proceedings initiated against two former directors of a company under Section 138 of the Negotiable Instruments Act by the complainant claiming that when he invested the money in the company they were directors. A single judge bench of Justice Hemant Chandangoudar allowed the petition filed by Sunita and Vidya and quashed the proceedings pending against them.</p> |
|----|---|

6

## Update on Regulated Sector

S.No	Sector	Update
		NIL



Flat No.7, Door No.10 Madhans,  
South Canal Bank Road,  
Mandavelipakkam, Chennai 600028.

[bhuvana.r@akshayamcorporate.com](mailto:bhuvana.r@akshayamcorporate.com) | [jayanth.v@akshayamcorporate.com](mailto:jayanth.v@akshayamcorporate.com)

[www.akshayamcorporate.com](http://www.akshayamcorporate.com) ;

Mobile: 9789982805 | 9962156708

*The Information Contained herein is of general nature and is not intended to address the circumstances of any particular individual or entity. The views expressed here are solely those of the author in his private capacity. The News items are taken as is provided in various websites and newspapers and the author shall not be held responsible for any of it.*