

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Edition No.257 Week 01- December 25 2022 to December 31 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	Feedback on Form 8 LLP Modules in MCA21-V3 Feedback on filing Form 8 (Statement of Accounts & Solvency) is invited by The Institute of Company Secretaries of India, in its attempt to further facilitate the stakeholders and ensure smooth transition and implementation. Such feedback is constantly and closely monitored by MCA at all levels for timely resolution.

2

SEBI during the week

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

S. No	Date of Issue	Rules/Circular/ Notification/ Order	Contents thereof	Gist thereof
1	30/12/2022	Circular	<p>Introduction of Investor Risk Reduction Access (IRRA) platform in case of disruption of trading services provided by the Trading Member</p> <p>https://www.sebi.gov.in/legal/circulars/dec-2022/introduction-of-investor-risk-reduction-access-irra-platform-in-case-of-disruption-of-trading-services-provided-by-the-trading-member-tm-66785.html</p>	<ul style="list-style-type: none"> • A joint platform to provide Investor Risk Reduction Access (IRRA) service shall be developed by the exchanges to provide the investors an opportunity to square off/close the open positions and/or cancel pending orders in case of disruption of trading services provided by the trading member. • The trading member will continue to be responsible for all the activities on the IRRA with respect to all obligations including settlement and margin requirements • The stock exchanges will design a detailed framework for reverse migration from the IRRA system to the trading member's trading

				system, as and when the trading system is revived successfully and a request is made in this regard.
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S.No	NEWS ON SEBI
1	<p>Sebi to review fees and expenses charged by mutual fund companies</p> <p>The Securities and Exchange Board of India (Sebi) has started a review of fees and expenses charged by mutual funds. Data from the study will be used to formulate policies in line with the current market dynamics. The regulator has strict guidelines on where and what mutual funds can spend, and what they can charge their customers. For example, an equity scheme can charge a maximum of 2.25 per cent of the assets under management (AUM) as expenses for the first Rs 500 crore AUM. This upper-limit on charges declines gradually with the rise in AUM.</p>
2	<p>Informal Guidance</p> <p>Karun Carpets Private Limited (KPCL) has proposed a scheme of Amalgamation under Section 230-232 of the Companies Act, 2013 with DBH Holdings (India) Private Limited (DHPL). An informal guidance was sought by KPCL on Para 3(a) of Regulation 10(1)(d)(iii). Since,</p> <p>Q : Whether Transfer and vesting of shares of the Target Company into DHPL, pursuant to the scheme of Amalgamation of KPCL into DHPL, would be exempted from open offer obligation by virtue of Regulation 10(1)(d)(iii) of SAST Regulations. Further, whether the Target Company will need to comply with the procedural compliances in terms of Regulations 29 of SAST Regulations and under SEBI (PIT) Regulations.</p> <p>A : The proposed Scheme of Amalgamation does not directly involve Target Company as a transferor and the entire 100% shares and voting rights in KPCL will be held by DHPL, they would be exempt only from Open offer obligation subject to the approval of Scheme of Amalgamation by NCLT and not from the disclosure requirements. Hence the Compliance under Regulation 29 of Takeover Regulation would be required to be complied with.</p>

	https://www.sebi.gov.in/enforcement/informal-guidance/dec-2022/informal-guidance-letter-to-karun-carpets-pvt-ltd-in-relation-to-scheme-of-amalgamation-of-promoter-company-of-greaves-cotton-ltd-under-sebi-substantial-acquisition-of-shares-and-takeovers-regulat-66755.html
3	<p><u>Sebi expands committees on cyber security and information systems</u></p> <p>The Securities and Exchange Board of India (Sebi) has expanded two of its committees--High Powered Steering Committee on Cyber Security (HPSC-CS) and Information Systems Security Committee (ISSC)--in a bid to strengthen cyber security frameworks and cyber resilience requirements. The committee on cyber security has been expanded to eight members from six earlier. It will continue to be chaired by Navin Kumar Singh, DG of the National Critical Information Infrastructure Protection Centre (NCIIPC).</p>
4	<p><u>Sebi proposes a framework for index providers</u></p> <p>The Securities and Exchange Board of India (Sebi) proposed a regulatory framework for index providers. The proposed framework would mandate index providers to adhere to International Organization of Securities Commissions (IOSCO) principles. The proposed regulations would prescribe provisions to ensure eligibility criterion, compliance, disclosures, periodic audits, and penal action in case of non-compliance and incorrect disclosures.</p>

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RBI 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 RBI
1	<p><u>Expand small business insolvency model to big corporations too: RBI</u></p> <p>The Reserve Bank of India (RBI) has called for extending the 'pre-packaged' insolvency resolution process to large borrowers. The pre-packaged process requires a majority of creditors to accept a deal before approaching the insolvency court and is focused primarily on resolution. The central bank has also said that a group resolution framework is required in India for corporates to improve the efficacy of the Insolvency and Bankruptcy Code (IBC).</p>
2	<p>During the week, RBI has published the following reports</p> <ul style="list-style-type: none"> a. Report on Trend and Progress of Banking in India 2021-22 b. Statistical Tables relating to Banks in India: 2021-22 c. RBI releases the Financial Stability Report, December 2022

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| | <ul style="list-style-type: none">d. India's International Investment Position (IIP), September 2022e. Launch of Utkarsh 2.0 – Reserve Bank of India's Medium-term Strategy Framework |
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IBC during the week
Notifications -0; Master Directions –0; 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	<p>The time taken to resolve cases under Insolvency and Bankruptcy Code (IBC) is gradually increasing. In 2017-18 the average time for resolution was 230 days. This has increased to 679 days for current financial year to September 2022. Moreover, 64% of the insolvency cases are ongoing for over 270 days. As a result, the perception is that the IBC is losing its sheen, however, the government seems to be no hurry to streamline the code and it was clarified that currently there was no proposal under consideration to reduce procedural delays of IBC.</p> <p>Similarly, the government ruled out any fast-track process to resolve real estate companies. Nevertheless, the extended arms of government seem to be playing an active role in resolving stressed assets.</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.	28/12/2022	Public Notice	<p>Amendment in Appendix 2T (List of Export Promotion Council /Commodity Boards/ Export Development Authorities) of Foreign Trade Policy 2015-2020</p> <p>https://content.dgft.gov.in/Website/dgftpr od/764d9f21-a57a-49f9-b649-ae4849a312a7/ENG%20PN%20EPCES.pdf</p>	<p>The DGFT in exercise of its power conferred under Para 2 of the Foreign Trade Policy, it has been proposed to include services under the ambit of products falling under Export Promotion Council for EOU and SEZ (EPCES). Accordingly, all products and services by EOU except spices and all products and services by SEZs is included under EPCES with immediate effect.</p>
2.	28/12/2022	Notice	<p>Amendment to the Foreign Trade (Development & Regulation) Act, 1992</p> <p>https://content.dgft.gov.in/Website/dgftpr od/e364ae79-c8e4-42a1-9487-2b1c60a29a60/Noti%2052%20Eng.pdf</p>	<p>In exercise of the powers conferred under Section 3 read with section 5 of the Foreign Trade (Development & Regulation) Act, 1992, the Central Government has extended the Existing policy condition i.e. “Free Import Policy” of the following from 31st March 2023 up to 31st March 2024:</p> <ol style="list-style-type: none"> 1. Urad 2. Tur/Pigeon peas

				<p>3. Refined bleached deodorized palm oil</p> <p>4. Refined bleached deodorized palmolein</p> <p><i>Note: Free Import Policy for the item mentioned in 3 & 4 are extended beyond 31.12.2022 until further orders.</i></p>
3.	30/12/2022	Press Release	<p>The ICSI-Registered Valuers Organization inks MOU with the Institution of Valuer</p> <p>https://www.icsi.edu/media/filer_public/60/ec/60ec8eeb-ad71-4fef-be43-b52972d64f3f/press_release - the icsi-registered valuers organization inks mou with the institution of valuers.pdf</p>	<p>The ICSI-Registered Valuers Organization (ICSI-RVO) signed an MOU with the Institution of Valuers(IOV). 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. It would inter alia promote excellence in Academics, Research and Training.</p>

GENERAL NEWS	
1	<p>ESG and Sustainability in Real Estate:</p> <p>Two sides of the Same Coin. The deliberations that began with sustainability soon grew to include ESG accountability in the industry. Over the years, these factors have become an integral part of organisation strategies as they benefit stakeholders not only from a financial returns perspective but also from an environmental sustainability standpoint. Today, investors and bankers are looking beyond the traditional financial indicators to assess sustainability, larger impact on the community and environment before arriving at investment decisions. Thus, ESG factors are gaining importance while evaluating a company.</p>

2 Competition Bill to be modified with inputs from House Panel on Big Tech

The government is likely to review the Competition (Amendment) Bill, 2022 and take on board at least some recommendations of the Parliamentary Standing Committee on Finance on regulation of anti-competitive behaviour of Big Tech. and indicated that recommendations, aimed at ensuring the Competition Commission of India has sufficient teeth to deal with the regulation of the sector, could be taken up in the Amendment Bill.

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Update on Regulated Sector

S.No	Sector	Update
1	NBFC Account Aggregator	<ul style="list-style-type: none"> The Reserve Bank of India has included the appointment of Nodal Officer/Principal Nodal Officer for NBFCs registered as Account Aggregators in the Master Directions Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016 The Non-Banking Financial Companies (NBFCs) that are covered under the Scheme (covered NBFCs) are advised to ensure that a suitable mechanism exists for receiving and addressing complaints from their customers with specific emphasis on resolving such complaints expeditiously and in a fair manner. The NBFCs covered by the Scheme shall appoint Nodal Officers (NOs) at their Head/Registered/Regional/Zonal Offices and inform all the Offices of the Ombudsman about the same. (ii) The NOs so appointed shall be responsible for representing the company and furnishing information to the Ombudsman in respect of complaints filed against the NBFC. (iii) Wherever more than one zone/region of a NBFC is falling within the jurisdiction of an Ombudsman, one of the NOs shall be designated as the 'Principal Nodal Officer' (PNO) for such zones or regions. Details of the PNO/NO at the Head Office may be forwarded to the Chief General Manager, CEPD, RBI, Central Office and details of PNOs/NOs of the zones may be forwarded to the RBI Ombudsman of the concerned zone.

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| | | <ul style="list-style-type: none">• NBFCs shall display prominently, for the benefit of their customers, at their branches/ places where business is transacted, the name and contact details (Telephone/ Mobile numbers as also email addresses) of the PNOs/NOs/GROs and the name and contact details of the Ombudsman, who can be approached by the customer• Covered NBFCs shall prominently display the salient features of the Scheme (in English, Hindi and Vernacular language) at all their offices and branches in such a manner that a person visiting the office or branch has easy access to the information• All the above details along with a copy of the Scheme should also be prominently displayed on the website of covered NBFCs. |
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