

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

**Edition No.268 Week 12 – March 13 2023 to March 19 2023**

**1**

**Companies Act 2013 during the week**

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

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	17/03/2023	Notification	Centre for Processing Accelerated Corporate Exit	The Central Government (MCA) hereby establishes a Centre for Processing Accelerated Corporate Exit (hereinafter referred to as C-PACE) for clearing STK -2 (Application by company to ROC for removing its name from register of Companies). The C-PACE shall be located at the Indian Institute of Corporate Affairs (IICA). This notification shall come into force with effect from the 01 <sup>st</sup> day of April, 2023
Nil				

S. No	NEWS ON MCA
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<b>1</b>	<p><b><u>Settlement scheme likely for competition law breach</u></b></p> <p>The government is planning to roll out a settlement scheme for competition law breaches and introduce deal value as a measure for regulating mergers and acquisitions involving global firms by the year end, hoping the reforms will get Parliamentary approval in the budget session itself. The ministry of corporate affairs will modify the proposals in the Competition Amendment Bill, 2022 currently pending in Lok Sabha, in the budget session, based on recommendations of the Parliamentary standing committee on finance, which studied the Bill.</p>
<b>2</b>	<p><b><u>Crowdfunding for startups gets caught in regulatory glare</u></b></p> <p>India's teeming crowdfunding world has come under a new shadow at a time when many startups are dealing with waning investor interest and the backlash from the recent collapse of the boutique American lender Silicon Valley Bank.</p> <p>A ruling by the ministry of corporate affairs (MCA) has struck at the core of the modus operandi of several small companies to raise money using fintech platforms that connect businesses with investors. Registrar of Companies (RoC) of NCR in an order dated 01<sup>st</sup> March 2023 stated that, such fund mobilisation is a violation of private placement rules under the Companies Act.</p>

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### SEBI during the week

**Act -0; Reports -0; Circulars– 1; Master Circular- 0; Notification –0; Regulation- 1;  
Reports – 0; NSE Circular – 2; BSE Circular – 1; Press Release -0**

S. No	Date of Issue	Rules/Circular/ Notification/ Order	Contents thereof	Gist thereof			
1	15/03/2023	Regulation	SEBI (Foreign Portfolio Investors) Amendment Regulations 2023	A new clause has been inserted in Regulation 22 and 31 providing that the Foreign Portfolio Investor ('FPI') must ensure that accurate details regarding its investor group are always maintained with its Designated Depository Participant ('DDPs').			
				Description	Regulation	Previous	Now
				1. General obligations and responsibilities of foreign portfolio investors.	Reg. 22 (1) (b)	The FPI was supposed to immediately inform the Board and designated depository participant in writing, if any information or particulars previously submitted to the Board or	The FPI has to do the same as soon as possible but not later than 7 working days.

						DDP were found to be false or misleading, in any material respect	
					Reg. 22 (5)	In case of any direct or indirect change in structure or common ownership or control of the foreign portfolio investor, FPI should immediately bring the same to the notice of its designated depository participant.	In case of any direct or indirect change in structure or common ownership or control of the foreign portfolio investor or investor group, FPI should, as soon as possible but not later than 7 working days, bring the same to the notice of its designated depository participant.

				2. Obligations and responsibilities of designated depository participants.	Reg. 31 (1) (b)	All DDPs who have been granted approval by the Board will have to: Immediately inform the Board in writing if any information or particulars previously submitted to the Board are found to be false or misleading, in any material respect.	The DDP has to do the same as soon as possible but not later than 2 working days.
						immediately inform the Board in writing, if there is any material change in the information previously furnished by him to the Board;	The DDP has to do the same as soon as possible but not later than 2 working days.
2	16/03/2023	NSE & BSE Circular	<b>Additional affirmations by Practicing Company Secretaries (PCS) in Annual Secretarial</b>	<ul style="list-style-type: none"> <li>BSE &amp; NSE vide notice dated March 16, 2023 released a circular on Additional affirmations by Practicing Company Secretaries (PCS) in Annual Secretarial Compliance Report (ASCR).</li> <li>The additional affirmations to be provided will now include PCS observation and remarks on the following: <ul style="list-style-type: none"> <li>1. Secretarial Standards</li> </ul> </li> </ul>			

			<b>Compliance Report (ASCR)</b>	<ol style="list-style-type: none"> <li>2. Adoption and timely updation of the Policies</li> <li>3. Maintenance and disclosures on Website Disqualification of Director u/s 164 of the Companies Act, 2013</li> <li>4. To examine details related to Subsidiaries of listed entities</li> <li>5. Preservation of Documents under SEBI regulation and disposal of records as per Policy of preservation of Documents and Archival Policy under SEBI LODR Regulations, 2015</li> <li>6. Performance Evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations</li> <li>7. Related Party Transactions – The listed entity has obtained prior approval of Audit Committee</li> <li>8. Disclosure of events or information</li> <li>9. Prohibition of Insider Trading</li> <li>10. Actions taken by SEBI or Stock Exchange(s), if any</li> <li>11. Additional Non-compliances, if any</li> </ol> <ul style="list-style-type: none"> <li>• The circular will be effective from the financial year ended March 31, 2023.</li> </ul>
<b>3</b>	<b>16/03/2023</b>	<b>Circular</b>	<b>Common and simplified norms for processing investor’s service requests by RTAs and norms for furnishing</b>	<ul style="list-style-type: none"> <li>• SEBI has come out with simplified procedural requirements for processing investors’ service requests by registrar and share transfer agents (RTAs) to push ease of doing business.</li> <li>• The new framework would come into force from April 1 2023.</li> </ul>

			<b>PAN, KYC details and Nomination</b>	<ul style="list-style-type: none"> <li>The regulator has made it mandatory for all holders of physical securities in listed companies to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folio numbers.</li> <li>The folios or investor accounts wherein any one of such documents are not available by October 1 would be frozen by the RTA.</li> </ul>
<b>4</b>	<b>15/03/2023</b>	<b>NSE Circular</b>	<b>Manner of filing financial results as required under regulation 33 of SEBI (LODR) Regulations, 2015</b>	<ul style="list-style-type: none"> <li>Listed entities are requested to note that the PDF of outcome of board meeting held to consider and approve financial results must only include financial results, Auditor's report and other statements as prescribed under Regulation 33, Part A of Schedule IV of the regulation and related circulars.</li> </ul>

<b>S.No</b>	<b>NEWS ON SEBI</b>
<b>1.</b>	<p><b><u>Angel tax relief likely for SEBI enrolled FPIs; rules expected by April 15</u></b></p> <p>The government is likely to exempt certain categories of investors such as those registered with regulatory authorities and whose chances of circulating unaccounted money are low from the so called angel tax. These could include funds qualifying as foreign portfolio investors (FPIs) and foreign venture capital investors (FVCIs) registered with the Securities and Exchange Board of India (Sebi), and entities registered with the Reserve Bank of India. The revenue department is expected to notify the regulatory framework, incorporating "a list of exempted entities" along with valuation rules for the newly introduced tax, by April 15.</p>

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

S.No	Date of Issue	Rules/Circular/ Notification/ Order/Press release	Subject	Gist thereof
1	15/03/2023	Press Release	<b>Reserve Bank of India and Central Bank of the UAE sign MoU to promote innovation in financial products and services</b>	<p>The Reserve Bank of India (RBI) and the Central Bank of the United Arab Emirates (CBUAE) signed a Memorandum of Understanding (MoU) in Abu Dhabi, to enhance cooperation and jointly enable innovation in financial products and services.</p> <p>Under the MoU, the two central banks will collaborate on various emerging areas of FinTech, especially Central Bank Digital Currencies (CBDCs) and explore interoperability between the CBDCs of CBUAE and RBI.</p>

S.No	NEWS ON RBI
1	<p><b><u>State-owned IREDA gets Infrastructure Finance Company status from RBI</u></b></p> <p>State-owned Indian Renewable Energy Development Agency (IREDA) has received Infrastructure Finance Company status from the Reserve Bank of India. It was earlier classified as an 'Investment and Credit Company (ICC)'</p>
2	<p><b><u>RBI Governor has been awarded the “Best Governor of the Year”</u></b></p> <p>RBI Governor Mr Shaktikanta Das has been awarded the “Best Governor” of the year by Central Banking Awards 2023.</p>



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**IBC during the week**

**Notification -0; Master Direction – 0; Circulars – 0; Press Release -0**

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

S.No	NEWS ON IBC
1	<p><b><u>Invitation of application for 27<sup>th</sup> Basic Workshop on IBC, 2016 for Insolvency Professionals to be held on 21<sup>st</sup> March 2023 in Virtual Mode</u></b></p> <p>The Insolvency and Bankruptcy Board of India (IBBI) is conducting a one-day Basic Workshop on Insolvency and Bankruptcy Code, 2016, on 21st March, 2023 (Tuesday), from 10:30 AM to 05:30 PM in Virtual Mode, for the Insolvency Professionals, who are registered with IBBI.</p> <p>The Basic Workshop aims at delivering fundamental level learning through virtual mode. The workshop will cover the overview of the evolving jurisprudence under the Code, prepacks insolvency resolution process, insolvency resolution of personal guarantors to corporate debtors and code of conduct for IPs.</p>
2	<p><b><u>Govt plans pre-pack resolution for 'slightly bigger' companies under IBC</u></b></p> <p>The government is weighing the idea of a pre-pack resolution framework for slightly bigger companies under the umbrella of Insolvency and Bankruptcy Code (IBC) to speed up the resolution process. The government is in discussion to bring a pre-pack resolution for slightly bigger companies now. There will be a threshold for companies, likely at Rs 500 crore. Such a mechanism now exists only for micro, small and medium enterprises (MSME).</p>
3	<p><b><u>IBC provisions cannot be turned into debt recovery proceeding: NCLAT</u></b></p> <p>The provisions of the Insolvency &amp; Bankruptcy Code (IBC) cannot be turned into a debt recovery proceeding as the idea of this special code is to bring a debtor company back on its feet. Setting aside an order of the National Company Law Tribunal (NCLT) to initiate insolvency proceedings against Coppertun Brewing, the appellate tribunal observed it "clearly fell in error" in admitting the plea "while turning a blind eye" on the evidence of pre-existing disputes between parties</p>
4	<p><b><u>Dissenting Secured Creditor Can't Be Treated Higher Than Other Creditors U/S 53 Just Because They Enjoy Security Interest: NCLT Kolkata</u></b></p> <p>The National Company Law Tribunal, while adjudicating an Application under Section 60(5) of Insolvency and Bankruptcy Code, 2016 ("IBC") in ICICI Bank Limited Vs Mr. Pratim Bayal (Resolution Professional)&amp; Anr has reiterated that just because a creditor enjoys security interest, it cannot be treated higher</p>

than other creditors who have financed the Corporate Debtor. ICICI Bank Limited (“Applicant”) is a secured Financial Creditor of BKM Industries Limited (“Corporate Debtor”). Corporate Insolvency Resolution Process (“CIRP”) was initiated against the Corporate Debtor and the Applicant submitted its claim which was admitted.

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**Others during the week**

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

S. No	Date	Rules/Circular/ Notification/Order/ Press Release	Contents thereof	Gist thereof
NIL				

S NO	GENERAL NEWS
1	<p><b><u>Section 151 CPC   Bombay High Court Allows Correction In Sale Deed After 38 Yrs</u></b></p> <p>Observing that the Court’s powers under Section 151 and 152 of the Code of Civil Procedure are to rectify errors and do substantial justice, the Bombay High Court allowed correction in a sale deed after thirty-eight years. Section 5 of the Limitation Act is elastic enough to apply the law in a meaningful manner to meet the ends of justice, Justice Sharmila Deshmukh back then at the Aurangabad bench observed.</p>
2	<p><b><u>Joint Parliamentary Committee objects to RBI’s request for an overarching proviso in Co-operative Societies Bill</u></b></p> <p>A Joint Parliamentary Committee has turned down a ‘request’ by the Reserve Bank of India to include an overarching proviso in the Multi-State Co-operative Societies (Amendment) Bill. The committee, under the chairmanship of Lok Sabha MP, Chandra Prakash Joshi, tabled its report in the Parliament. Now the</p>

	reworked bill will be taken up by both Houses. The bill aims to amend the Multi-State Co-operative Societies (MSCS) Act, 2002 to accommodate changes brought on by the 97 <sup>th</sup> Constitutional Amendment Act and also to accommodate changes in the co-operative sector over the period.
<b>3</b>	<p><b><u>97% licences granted to MSMEs among toy-making units, says Centre</u></b></p> <p>As many as 97 per cent licences have been granted to micro, small, and medium enterprises (MSMEs) among toy manufacturing units by the government. According to Commerce Ministry sources, out of the 1,097 licences granted by the Bureau of Indian Standards (BIS) to toy manufacturing units till date, as many as 1,061 or 97 per cent of them have been granted to MSMEs. This, sources said, has been done to promote startups and women entrepreneurs and also to facilitate domestic manufacturers, especially MSMEs. BIS has given concessions in marking fees to micro units, startups and women entrepreneurs.</p>
<b>4</b>	<p><b><u>BCI Permits Foreign Lawyers &amp; Firms To Practice Foreign Law, Diverse International Law And International Arbitration Matters In India</u></b></p> <p>In a pathbreaking development, the Bar Council of India has decided to permit foreign lawyers and law firms to practice foreign law in India on reciprocity basis. The areas of practice of law by a foreign lawyer or Foreign Law Firm shall be laid down by Bar Council of India, in consultation with the Law Ministry, if need be. It has notified the Bar Council of India Rules for Registration and Regulation of Foreign Lawyers and Foreign Law Firms in India, 2022._</p>

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**Update on Regulated Sector**

S.No	Sector	Update
NIL		



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