

## **WEEKLY CORPORATE UPDATES**

*Saturday 22<sup>nd</sup> October, 2022*

(Curated & compiled by)

### **Team Indiacorp Law**

**Headed by:**

**Adv. (CS) Alok Kumar Kuchhal, M. Com, LL.B., FCS, Insolvency Professional**

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## SEBI UPDATES

### *SEBI allows brokers to place bids on RFQ platform*

Press Release No: 33/2022

Dated: 19 October, 2022

The Securities and Exchange Board of India ('SEBI') has issued a circular dated October 19, 2022 wherein it decided to allow stock brokers registered under the debt segment of the Stock Exchange(s) to place/ seek bids on the RFQ platform on behalf of client(s), in addition to the existing option of placing bids in a proprietary capacity.

The Stock Exchange(s) are directed to:

- put in place the necessary infrastructure for access and use of the platform by the participants and issue necessary circular(s) covering the modalities for operational aspects;
- bring the provisions of this circular to the notice of SEBI registered Stock Brokers and disseminate the same on their websites; and
- make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above directions in coordination with one another to achieve uniformity in approach and communicate to SEBI.

The new norm that will come into effect from January 1, 2023 is expected to result in enhanced participation by public at large as well as in the deepening of the secondary market in corporate bonds

Related Link: <https://www.sebi.gov.in/legal/circulars/oct-2022/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-64215.html>

## RBI UPDATES

### *RBI issues directions to Authorized dealer banks on Exim Bank's Short-Term Line of Credit (STLoC) of EUR 100 million to the Banco Exterior de Cuba for purchase of rice from India*

Notification No.: RBI/2022-2023/133

Dated: 20 October, 2022

RBI in exercise of power under section 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) issues directions for the proper execution of the agreement between Exim Bank and Banco Exterior de Cuba.

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- *Out of the total credit by Exim Bank, goods and services of the value of at least 75 % of the contract price shall be supplied by the seller from India, and the remaining 25 % may be procured by the seller for the purpose of the eligible contract from outside India.*
- *Shipments under the STLoC shall be declared in Export Declaration Form/Shipping Bill as per instructions issued by the Reserve Bank from time to time.*
- *No agency commission is payable for export under the above STLoC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer (AD) Category- I banks may allow such remittance after realization of full eligible value of export subject to compliance with the extant instructions for payment of agency commission.*
- *AD Category – I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain complete details of the STLoC from the Exim Bank's office*

Related Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12405&Mode=0>

## **RBI notifies Draft Master Direction on Information Technology, Governance, Risk, Controls and Assurance Practices**

Press Release: 2022-2023/1072

Dated: 20 October, 2022

*The Reserve Bank of India (RBI) released a draft master direction on information technology (IT) governance for all regulated entities, which will mandate them to put in place a robust [IT](#) governance framework, consisting of governance structures and processes necessary for them to meet their business objectives. Some key points are:*

- *The regulated entities are required 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.*
- *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 have to institute an IT steering committee, with an objective of assisting the board, IT strategy committee in IT strategic planning and oversight.*
- *A documented periodic assessment of the training requirements for human resources shall be made to ensure that sufficient, competent, and capable human resources are available*
- *Every IT application, which can access or affect critical or sensitive information, is required to have audit trails, detailed enough to facilitate the conduct of the audit, serve as forensic evidence when required and assist in dispute resolution, including for non-repudiation purposes*

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Related Link: [https://www.rbi.org.in/scripts/bs\\_viewcontent.aspx?id=4205](https://www.rbi.org.in/scripts/bs_viewcontent.aspx?id=4205)

## IBC & NCLT UPDATES

### *The Corporate Debtor is required to pay the expenses and remuneration to the Resolution Professional that are approved by the CoC: NCLT Chandigarh*

*Dated: 18 October 2022*

*The Hon'ble National Company Law Tribunal, Chandigarh while adjudicating a matter in the case of Mr. Sanyam Goel, RP for Haryana Telecom Ltd. Vs. Parivartan Investment and Finance Company, (2022) ibclaw.in 842 NCLT, held that the Resolution Professional is entitled to receive the various costs and expenses incurred during the Corporate Insolvency Resolution Process and is to born by the person initiating the CIRP which is to be reimbursed by the committee of creditors to the extent the Committee of Creditors ratifies the same.*

*Allowing the application of the Resolution Professional, the court held that question of cost and its approval lays in the domain of the CoC. The CoC may ratify, modify or set aside the cost claimed. These issues may be decided in the meeting of the CoC and are not to be examined by the Adjudicating Authority even before the CoC takes a decision*

Related Link: <https://ibclaw.in/mr-sanyam-goel-rp-for-haryana-telecom-ltd-vs-parivartan-investment-and-finance-company-nclt-chandigarh-bench/>

### *The limitation for filing the Appeal begins when order was pronounced and not when it was made available to the other party: NCLAT Chennai*

*Dated: 19 October, 2022*

*While adjudicating the matter in the case of Johnson Lifts Pvt. Ltd. Vs. Tracks & Towers Infratech Pvt. Ltd., (2022) ibclaw.in 858 NCLAT, the Hon'ble National Company Law Appellate Tribunal was posed with the question of whether the limitation period begins with the date of pronouncement or order or from the date when the order was made available to the other party. The court held that Sections 61(1) and (2) of the IBC consciously omit the requirement of limitation being computed from when the "order is made available to the aggrieved party", in contradistinction to Section 421(3) of the Companies Act. Owing to the special nature of the IBC, the aggrieved party is expected to exercise due diligence and apply for a certified copy upon pronouncement of the order it seeks to assail, in consonance with the requirements of Rule 22(2) of the NCLAT Rules.*

*The mere fact that Appellant received free certified copy of the Impugned Order after the limitation period, the period of limitation shall not stop running after passing of the order/judgment.*

Related Link: <https://ibclaw.in/johnson-lifts-pvt-ltd-vs-tracks-towers-infratech-pvt-ltd-nclat-chennai/>

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*The existence of disputes between the parties under section 8 must be pre-existing i.e. prior to issuance of demand notice with regard to the very claim of the Appellant and the Adjudicating Authority or Tribunal cannot go into the disputed issues in a summary jurisdiction: NCLAT New Delhi*

*Dated: 20 October 2022*

*The Hon'ble NCLAT while adjudicating matter in the case of Mayor Sports Pvt. Ltd. Vs. Emphasis Innovations Pvt. Ltd., (2022) ibclaw.in 857 NCLAT held that as per section 8, the existence of dispute or the record of the pendency of a suit or arbitration proceedings, which the corporate debtor is required to bring to the notice of the operational creditor, must be pre-existing i.e. must exist prior to the receipt of the demand notice or invoice, as the case may be. The moment there is existence of such a dispute, the operational creditor gets out of the clutches of the Code.*

*Related Link: <https://ibclaw.in/mayor-sports-pvt-ltd-vs-emphasis-innovations-pvt-ltd-nclat-new-delhi/>*

**Thanking You,**  
**Team Indiacorp**  
**0120 - 421 4372, 9810894275, 8826016751**  
**indiacorp@live.com, info@indiacorplaw.com**  
**www.indiacorplaw.com**

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