

WEEKLY CORPORATE UPDATES

Saturday 10th December, 2022

(Curated & compiled by)

Team Indiacorp Law

Headed by:

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SEBI UPDATES

SEBI likely to relax regulatory norms for Centre for PSU disinvestment

Dated: 06 Dec 2022

SEBI can relax regulatory norms for the central government in relation to strategic disinvestment of Public Sector Undertakings (PSUs), according to a notification. "The Board (SEBI) may after due consideration of the interest of the investors and the securities market and for the development of the securities market, relax the strict enforcement of any of the requirements of these regulations if an application is made by the Central Government in relation to its strategic disinvestment in a listed entity," SEBI said in a notification made public on December 06, 2022 (Tuesday). To give this effect, the regulator has amended LODR (Listing Obligations and disclosure Requirements) norms.

Related Link: https://www.business-standard.com/article/markets/sebi-likely-to-relax-regulatory-norms-for-centre-for-psu-disinvestment-122120600935_1.html

FinMin allows PSUs to invest in debt schemes of all mutual funds

Dated: 07 Dec 2022

The finance ministry in an office memorandum allowed public sector undertakings (PSUs) to invest in debt schemes of all mutual funds. Earlier, provisions limited central public sector enterprises (CPSEs) to investment in public sector mutual funds only, in which the government held more than 50 per cent share. The department of investment and public enterprises (DIPAM) in the official memorandum said the guidelines are based on proposals received from CPSEs, mutual funds and private sector banks citing liberalisation of policies and introduction of new monetary instruments for trade in short-term funds.

Related Link: https://www.business-standard.com/article/finance/finmin-allows-psus-to-invest-in-debt-schemes-of-all-mutual-funds-122120701306_1.html

Paytm unveils buyback plan, says it has Rs. 9,182 crore cash in hand

Dated: 09 Dec 2022

One97 Communications, which operates under the Paytm brand, has said that the company's board will meet on December 13, 2022 to decide on a share buyback programme. Paytm has Rs. 9,182 crore of cash in hand and a large chunk of this pre-dates its Initial Public Offering (IPO). "The management believes that

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given the company's prevailing liquidity/financial position, a buyback may be beneficial for our shareholders," Paytm said in an exchange filing. The announcement comes when the company's shares were down over 75% from the IPO a year ago. Paytm's Rs. 18,600-crore IPO was the second-largest in the country after LIC and it valued the company at Rs. 1.4 lakh crore. Paytm has a current market cap of Rs. 33,003 crore.

Related Link: <https://timesofindia.indiatimes.com/city/mumbai/paytm-unveils-buyback-plan-says-it-has-9182-crore-cash-in-hand/articleshow/96098806.cms>

Foreign investment in Alternative Investment Funds (AIFs)

Dated: 09 Dec 2022

1. In terms of Regulation 10(a) of SEBI (Alternative Investment Funds) Regulations, 2012 ('AIF Regulations'), AIFs may raise funds from any investor whether Indian, foreign or non-resident Indians, by way of issue of units. 2. In this regard, the following is specified: 2.1. At the time of on-boarding investors, the manager of an AIF shall ensure the following: (a) Foreign investor of the AIF is a resident of the country whose securities market regulator is a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding (Appendix A Signatory) or a signatory to the bilateral Memorandum of Understanding with SEBI. For the purpose of the aforesaid clause, "Bilateral Memorandum of Understanding with SEBI" shall mean a bilateral Memorandum of Understanding between SEBI and any authority outside India that provides for information sharing arrangement as specified under clause (ib) of sub-section (2) of Section 11 of the Securities and Exchange Board of India Act, 1992.

Related Link: <https://www.sebi.gov.in/legal/circulars/dec-2022/foreign-investment-in-alternative-investment-funds-aifs-66045.html>

RBI UPDATES

Access to paperless home loans

Dated: 05 Dec 2022

A recent notification by the Ministry of Electronics & Information Technology (MeitY) has made it possible to digitize several new types of contracts like mortgages and other property documents that will give a major push to the digitization of home loans.

Related Link: <https://timesofindia.indiatimes.com/business/india-business/you-will-soon-have-access-to-paperless-home-loans/articleshow/95988852.cms>

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Monetary Policy Statement, 2022-23 Resolution of the Monetary Policy Committee (MPC)

Dated: 07 Dec 2022

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting on December 07, 2022 decided to increase the policy repo rate under the Liquidity Adjustment Facility (LAF) by 35 basis points to 6.25 per cent with immediate effect and consequently, the Standing Deposit Facility (SDF) rate stands adjusted to 6.00 per cent and the Marginal Standing Facility (MSF) rate and the Bank Rate to 6.50 per cent. The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth. These decisions are in consonance with the objective of achieving the medium-term target for Consumer Price Index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

Related Link: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.

RBI Extends Market Trading Hours

Dated: 07 Dec 2022

The trading hours for various markets regulated by the Reserve Bank were amended with effect from April 7, 2020 in view of the operational dislocations and elevated levels of health risks posed by COVID-19. Restoration of market hours in a phased manner was commenced with effect from November 09, 2020 with the easing of pandemic-related constraints, and the opening time for regulated market hours were restored to the pre-pandemic timing of 9:00 AM with effect from April 18, 2022. It has now been decided to restore market hours in respect of call/notice/term money, commercial paper, certificates of deposit and repo in corporate bond segments of the money market as well as for rupee interest rate derivatives. Accordingly, with effect from December 12, 2022.

Related Link: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54822

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RBI Adds More Features To UPI, Allows Multi Debits And Single Block Facilities

Dated: 08 Dec 2022

The central bank has widened the utility spectrum of digital platforms by making possible multiple debits for potentially recurring payments, eliminating the likelihood the average saver would skip scheduled payment obligations. The Reserve Bank of India (RBI) has said UPI customers can create a payment mandate against a merchant by blocking funds in a bank account for specific purposes, and the funds can be debited whenever needed.

Related Link: <https://vivetimes.com/rbi-rbi-adds-more-features-to-upi-allows-multi-debits-and-single-block-facilities>

Over 3,000 crypto accounts under scrutiny for 'Illegal Activities'

Dated: 08 Dec 2022

India's Financial Intelligence Unit (FIU) tracked 3,300 crypto accounts within the final eight months that it suspected had been getting used for cash laundering, drug trafficking and different unlawful actions, together with funding social unrest. The company has shared the data with different enforcement companies and crypto exchanges, each in India and abroad. FIU has beneficial closure of those accounts and has additionally reached out to worldwide companies.

Related Link: <https://www.pehalnews.in/over-3000-crypto-accounts-under-scrutiny-for-illegalactivities/2672147/>

Review of SLR holdings in HTM category

Dated: 08 Dec 2022

At present, banks have been granted a special dispensation of enhanced Held to Maturity (HTM) limit of 23 per cent of Net Demand and Time Liabilities (NDTL), for Statutory Liquidity Ratio (SLR) eligible securities acquired between September 01, 2020 and March 31, 2023, until March 31, 2023. On a review, it has been decided to further extend the dispensation of enhanced HTM limit of 23 per cent of NDTL upto March 31, 2024 and allow banks to include securities acquired between September 01, 2020 and March 31, 2024 under the enhanced limit of 23 per cent.

Related Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12422&Mode=0>

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Indian banks fear fallout of ESMA rift on markets, plan to move RBI

Dated: 09 Dec 2022

The Reserve Bank of India (RBI) could also be nudged to finish the discord with European regulators as Indian banks start to really feel that a diminished position or exit of European banks from monetary markets like bonds, cash, international alternate and derivatives might damage native establishments and impression liquidity. Several banks, together with business our bodies representing cash and foreign money market sellers, met on Wednesday to focus on the possible fallout on monetary markets if the RBI and the European Securities and Markets Authority (ESMA) fail to type out their disagreement.

Related Link:

<https://www.pehalnews.in/indian-banks-fear-falloutof-esma-rift-on-markets-plan-to-move-rbi/2674260/>

NCLTUPDATES

The Liquidator is justified in proceeding with auction of assets of the Corporate Debtor in absence of non-submission of scheme within the stipulated time frame: NCLAT New Delhi bench

Dated: 06th December, 2022

*Being aggrieved by the order dated 01.06.2022 passed by the Hon'ble NCLT Allahabad bench in IA No. 154/2022 wherein the reliefs sought by the Appellant of staying the auction process and to place the scheme before the Stakeholders Consultation Committee were not granted as the Adjudicating Authority did not find any merit in intervening in the scheduled auction process of the Corporate Debtor, the present appeal **Bankey Bihari Infracomes Pvt. Ltd. Vs. Mr. Alok Kumar Kuchhal, Liquidator, Ratandeep Infrastructure Pvt. Ltd.**[Company Appeal (AT)(Ins) No. 718 of 2022] has been filed by the Appellant challenging the order dated 01.06.2022.*

In the appeal, the Appellant contended that the Adjudicating Authority, without giving due consideration to its earlier order regarding submission of the scheme of compromise and arrangement, passed the Impugned Order, whereby it refused to intervene in the process of e-auction of the corporate debtor's land, and further directed the Liquidator to act with the view to maximize the value of the corporate debtor's land.

While adjudicating the appeal, the Appellant Tribunal noted that the Adjudicating Authority provided reasonable and sufficient opportunity to the Appellant to submit a credible scheme of compromise and arrangement, and the fact that the scheme so presented by the Appellant was prima-facie found to inflate the total payments by provisioning payments to creditors who are either related to the corporate debtor or

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for such creditors who had not filed legitimate claims in the liquidation process and thus, the proposed payments were in effect not of greater value than the amount being offered by the successful bidder in the e-auction.

Therefore, the bench held the clear opinion that the Adjudicating Authority had not committed any error in disposing of IA 154/2022 by the Impugned order allowing the Liquidator to proceed with the e-auction and not allowing any more time for consideration of the scheme proposed under section 230 of the Companies Act, 2013.

Related Link: <https://ibclaw.in/bankey-bihari-infrahomes-pvt-ltd-vs-mr-alok-kumar-kuchchal-liquidator-ratandeep-infrastructure-pvt-ltd-nclat-new-delhi/>

Section 66 of the IBC does not provide for any look back period as far as fraudulent transactions are concerned: NCLAT Chennai bench

Dated: 05th December, 2022

Being aggrieved by the order dated 09.07.2021 passed by the Hon'ble NCLT Kochi bench in IA No. 38/KOB/2021 in IBA-04/KOB/2020 wherein a section 66 application filed by the RP against the suspended Directors of the Corporate Debtor i.e. M/s. Mathstraman Manufacturers and Traders Pvt. Ltd. was allowed on the ground that the Adjudicating Authority was of the opinion that the suspended Directors illegally carried on business using the assets of the Corporate Debtor with an intent to defraud the creditors of the Corporate Debtor for fraudulent purpose, the present appeal **Mr. Thomas George Vs. K. Easwara Pillai RP M/s. Mathstraman Manufacturers and Traders Pvt. Ltd.** [Company Appeal (AT)(CH) (Ins) No.293 of 2021 & IA No. 625/2021] has been filed by the suspended Director of the Corporate Debtor challenging the order dated 09.07.2021.

In this case, the Appellant contended that the look back period for Section 66 is to be construed as three years as the law of Limitation under the Code is three years from the date of default.

While adjudicating the appeal, the Hon'ble Appellate Tribunal held that Section 66 of the Code does not provide for any 'look back period' as far as fraudulent transactions are concerned. Unlike other types of transactions provided under the Code, there is no specified look back period for fraudulent trading under Section 66. Hence, the Respondent i.e. the Resolution Professional was allowed to retrieve/repossess without any limitation of time and correct all the wrong doings for any relevant point of time. The bench further stated that section 66 of the Code envisages that the losses caused to the Creditors are recovered in the event of the Liquidation and that the Directors who caused such losses are made liable to make good such losses.

Related Link: <https://ibbi.gov.in/uploads/order/d1fd52d07eb14e30644302a07cd72580.pdf>

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No Fetter, Embargo or Legal Impediment for a Trust to be a Resolution Applicant: NCLAT Chennai bench

Dated: 05th December, 2022

The Hon'ble NCLT Kochi bench in IA No. 13/KOB/2021 in TIBA/11/KOB/2019 had on merits approved the resolution plan submitted by the successful resolution applicant M/s Lissie Medical Institutions being a medical institution and a registered Charitable Trust vide order dated 16.03.2021. Being aggrieved that the resolution plan did not provide for return of GST sum paid by the M/s Awasthi Agencies (Operational Creditor of the Corporate Debtor), the said Operation Creditor has filed the present appeal **M/s. Aswathi Agencies Vs. Bijoy Prabhakaran Pulipra, RP PVS Memorial Hospital Pvt. Ltd.** [Company Appeal (AT)(CH) (Ins) No. 179 of 2021] challenging the order dated 16.03.2021.

In the appeal, the Appellant contended that the Successful Resolution Applicant was not eligible to be a Resolution Applicant on the ground that the act of acquiring the Corporate Debtor under the Resolution plan cannot be placed under any of the purview of Charitable purpose.

While adjudicating the appeal, the bench observed that under Section 3(23)(d) of the Insolvency and Bankruptcy Code, 2016 ("IBC"), a 'Person' is defined and it includes a Trust, therefore there is no Fetter/Embargo or a Legal Impediment for a Trust to be a Resolution Applicant in submitting a Resolution Plan. The bench also pointed out that the Committee of Creditors had approved the Resolution Plan with 100% vote after being satisfied about the compliance of Section 30 of the IB Code. In an inescapable conclusion, the bench held that the 'Appellant' has made out a case in its favour and has not proved any of the grounds adumbrated in Section 61 (3) of the I & B Code, 2016, for filing the present appeal as a result of which the appeal fails.

Related Link: <https://ibbi.gov.in/uploads/order/d3169cb16f1b48d5ddb1df058b3e6fd2.pdf>

NCLT reserves order on Suraksha's bid to acquire Jaypee Infratech, complete 20k flats

Dated: 22nd November, 2022

The Hon'ble NCLT Principal bench has reserved its order on Mumbai-based Suraksha group's bid to acquire Jaypee Infratech Ltd in the matter **IDBI Bank vs. Jaypee Infratech Ltd.** [IB-77/PB/2017] and complete around 20,000 flats for aggrieved homebuyers.

Mumbai-based Suraksha group received the approval from the financial creditors and homebuyers to take over Jaypee Infratech Ltd (JIL), raising hopes for 20,000 homebuyers of getting possession of their dream

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flats installed projects, mainly in Noida and Greater Noida. The Committee of Creditors had approved Suraksha Group's bid for the debt-ridden JIL.

Related

Link: https://nclt.gov.in/gen_pdf.php?filepath=/Efile_Document/ncltdoc/casedoc/0710200415042017/04/Order-Challenge/04_order-Challenge_004_16703053501952306508638ed6465e29c.pdf

OTHER UPDATES

ESIC approves proposal to invest surplus funds in stock market through ETFs

Dated: 04 Dec 2022

Government's social security body Employees' State Insurance Corporation (ESIC) on Sunday approved a proposal to invest its surplus funds in the stock market through exchange traded funds (ETFs). The decision was taken in the 189th meeting of ESIC held on Sunday at ESIC headquarters under the chairmanship of Union labour minister Bhupender Yadav, a labour ministry statement said. Due to relatively low returns on investments in various debt instruments coupled with the need to diversify investment, ESIC gave its approval for investments of surplus funds in equities restricted to ETFs.

Related Link: https://www.business-standard.com/article/pti-stories/esic-to-invest-surplus-funds-in-stock-market-through-etfs-122120400776_1.html

Adani bags 8% in NDTV open offer, total hits 37%

Dated: 06 Dec 2022

Adani Media Networks has acquired an 8% additional stake in the open offer for NDTV, increasing its total shareholding to 37% in the media company. It had initially acquired 29% in NDTV and subsequently made an open offer for an additional 26% stake in line with India's takeover rules. The open offer closed on December 05, 2022 (Monday). Adani's shareholding in NDTV is now higher than the 32% held by the media company's founders Prannoy Roy and Radhika Roy. Both Adani and the Roys will be listed as promoters of NDTV, said Shriram Subramanian, founder of proxy advisory firm InGovern.

Related Link: <https://timesofindia.indiatimes.com/business/india-business/adani-bags-8-in-ndtvopen-offer-total-hits-37/articleshow/96016290.cms>

Government extends Rooftop Solar Programme till March 2026

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Dated: 08 Dec 2022

Government on January 08, 2022 asked consumers not to pay any additional charge for solar installations as the 'Rooftop Solar Programme' has been extended till March 31, 2026. The programme has been extended till 31.03.2026 and therefore, subsidy under the programme will be available until the target under the programme is achieved, Ministry of New and Renewable Energy (MNRE) said in a statement.

Related Link: <https://economictimes.indiatimes.com/industry/renewables/government-extendsrooftop-solar-programme-till-march-2026/articleshow/96091604.cms>

Bill to promote use of non-fossil fuels introduced in Rajya Sabha

Dated: 08 Dec 2022

A bill that seeks to promote the use of non-fossil fuels, including ethanol, green hydrogen and biomass, was introduced in Rajya Sabha for passage on December 08, 2022. The Energy Conservation (Amendment) Bill, 2022, is also aimed at helping the country achieve its international commitments on climate change.

Related Link: <https://economictimes.indiatimes.com/industry/renewables/bill-to-promote-use-of-nonfossil-fuels-introduced-in-rajya-sabha/articleshow/96089504.cms>

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Government to Plan Regulation of All Real-Money Online Games, to include Games of Skill and Chance

Dated: 05 Dec 2022

India's planned regulation of online gaming will apply to all real-money games after the Prime Minister's Office overruled a proposal to only regulate games of skill and leave out games of chance, according to a government document.

Related Link:

<https://www.gadgets360.com/games/news/real-money-games-government-regulation-skillchance-online-gaming-3578348>

Thanking You,

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