

## **WEEKLY CORPORATE UPDATES**

**Saturday 11<sup>th</sup> March, 2023**

(Curated & compiled by)

### **Team Indiacorp Law**

**Headed by:**

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

**Disclaimer:**

Whilst we endeavour to ensure that the information in the newsletter is correct, we do not warrant or represent its completeness or accuracy.

The information contained in this newsletter is provided by M/s Indiacorp Law, Solicitors and Advocates as a service/promotion to its users, subscribers, customers and possible others. It does not contain (legal) advice. Although we try to provide quality information, we do not guarantee of results obtained from the use of this information, and without warranty of any kind, express or implied, including, but not limited to warranties of performance for a particular purpose.

In no way M/s Indiacorp Law, Solicitors and Advocates is liable to user or any other party for any damages, costs of any character including but not limited to direct or indirect, consequential, incidental or other costs or damages, via the use of the information contained in the newsletters

**Concerns:**

*M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)*

## MCAUPDATES

### MCA News

Dated: 6<sup>th</sup> Day of March, 2023

All Members of ICSI & ICAI (registered in Professional category at MCA) are requested to add Membership Type ( viz Associate or Fellow) in their profile. This functionality is also applicable to the users who had associated their Professional Membership Numbers with their ID in past on MCA portal.

Related Link: <https://www.mca.gov.in/content/mca/global/en/notifications-tender/news-updates/updates.html>

## SEBI UPDATES

### SEBI asks investors to link PAN with Aadhaar by March 31

Dated: 08<sup>th</sup> March, 2023

Capital markets regulator SEBI on Wednesday asked all investors to link their PAN with Aadhaar number by March-end for continual and smooth transactions in the securities market. The non-compliance with this would be considered non-KYC compliant, and there could be restrictions on securities and other transactions until the Permanent Account Number (PAN) and Aadhaar are linked, SEBI said in a statement.

The Central Board of Direct Taxes (CBDT) issued a circular in March 2022, whereby the PAN allotted to a person would become inoperative if it is not linked with Aadhaar by March 31, 2023, and would be liable to all the consequences under the Income-tax Act, 1961, for not furnishing, intimating or quoting the PAN.

"Since PAN is the key identification number and part of KYC requirements for all transactions in the securities market, all SEBI registered entities and Market Infrastructure Institutions (MIIs) are required to ensure valid KYC for all participants.

"All existing investors are required to ensure linking of their PAN with Aadhaar number prior to March 31, 2023, for continual and smooth transactions in the securities market and to avoid consequences of non-compliance with the said CBDT circular," the Securities and Exchange Board of India (SEBI) said.

The provisions of the Income-tax Act make it mandatory for every person who has been allotted a PAN to intimate his/her Aadhaar number to the prescribed authority so that the Aadhaar and PAN can be linked. This is required to be done on or before the notified date, failing which the PAN would become inoperative.

#### **Concerns:**

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

Related link: <https://economictimes.indiatimes.com/markets/stocks/news/sebi-asks-investors-to-link-pan-with-aadhaar-by-march-31/articleshow/98499261.cms>

## **Demat accounts to be frozen if nominee not added by March 31.**

Dated: 10<sup>th</sup> March, 2023

The last date for nomination with regard to demat accounts is March 31 and investors not meeting the deadline will see trading and demat accounts frozen for debits.

The deadline for making nominations was supposed to be March 2022, but SEBI (Securities and Exchange Board of India) had extended the date by a year. The decision to extend the deadline was taken after representations and feedback from various stakeholders.

In July 2021, Sebi had asked all existing eligible trading and demat account holders to provide a choice of nomination.

For existing investors who have already provided the nomination details prior to the circular issued in July 2021, re-submission of nomination details is optional.

Further, existing investors who have not submitted nomination details to date and intend to submit their nomination or opt out of nomination will be allowed to do so by way of two-factor authentication login on trading platforms for stock brokers or depository participants providing such service.

The details previously required, like mobile number, e-mail ID and identification details of the nominee/guardian of the minor nominee, have been made optional.

Investors who are opening new trading and demat accounts have the choice of providing nomination or opting out of nomination through a declaration form.

Further, no witnesses will be required for filing the nomination for the trading and demat accounts wherever the form is physically signed by the account holder. The nomination or declaration form filed online using the e-sign facility will not have witness requirements.

However, if the account holder uses a thumb impression instead of a signature, a witness signature will have to be there on the form as well.

Related Link: <https://economictimes.indiatimes.com/markets/stocks/news/demat-accounts-to-be-frozen-if-nominee-not-added-by-march-31-check-how-to-apply/articleshow/98515525.cms>

### **Concerns:**

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

## *SEBI mulls PCVs to offer long funding*

*Dated: 08<sup>th</sup> March, 2023*

*Amid allegations of fierce valuation games that drive startups to dress up numbers and venture capitalists to spin stories to investors, the idea of permanent capital vehicles (PCVs) to offer long, patient funding to unlisted outfits of Indian entrepreneurs is being explored.*

*Unlike regular private equity (PE) and venture capital (VC) funds which have fixed lives, a PCV can last in perpetuity, and its best examples are famous investment houses like Berkshire Hathaway and Fairfax.*

*Related Link: <https://economictimes.indiatimes.com/markets/stocks/news/sebimullspcvstoofferlongfunding/articleshow/98504611.cms>*

## *SEBI introduces reward mechanism for informants providing tips on defaulters*

*Dated: 6<sup>th</sup> Day of March, 2023*

*With an aim to recover fines from elusive offenders, capital markets regulator Sebi on Thursday introduced a reward system for up to `20 lakh to informants for sharing information about the assets of defaulters.*

*The reward may be granted in two stages — interim and final. While the interim reward amount will not exceed two and a half per-cent of the reserve price of the asset regarding which tips was provided or `5 lakh, whichever is less and the final reward amount will not exceed 10 per cent of the dues recovered or `20 lakh, whichever is less.*

*Coming out with guidelines on grant of reward to an informant who provides credible information about the assets of the defaulter under recovery proceedings, SEBI said, “information and the identity provided by the informant or the reward paid to him shall be held in confidence.”*

*As per SEBI, a person will be considered to be an informant eligible for reward if he or she furnishes original information in relation to the asset of a defaulter concerning the dues which are certified as ‘Difficult to Recover’.*

*The difficult-to-recover dues are the ones which could not be recovered even after exhausting all the modes of recovery. Also, the regulator issued a list of 515 defaulters, where information can be provided by any informant.*

*Related Link: <https://www.dailypioneer.com/2023/business/sebi-introduces-reward-mechanism-for-informants-providing-tips-on-defaulters.html#:~:text=With%20an%20aim%20to%20recover,about%20the%20assets%20of%20defaulters>*

### **Concerns:**

*M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)*

## RBI UPDATES

### *India must prepare to curb volatility risks of international rupee: RBI Deputy Governor*

*Dated: 09<sup>th</sup> March, 2023*

*India needs to gear up to manage the inevitable volatility that will emerge in the foreign exchange market as the country progresses further towards internationalization of the rupee, a Deputy Governor at the Reserve Bank of India (RBI) said recently.*

*An international currency is one that is freely available to non-residents, essentially to settle cross-border transactions, and in the case of the rupee, this will be achieved by promoting the currency for import and export, without any limits.*

*But, that will make the rupee more reactive to global events and that would increase outflows, increasing volatility.*

*"It is now widely accepted that while internationalization and a freer capital account comes with its own set of benefits, it is not without risks," M. Rajeshwar Rao said.*

*"Freer capital flows come with their own set of challenges, the primary one being that of volatility and we need to gear up to manage that."*

*Mr. Rao did not expand on how to manage the volatility in his comments, which were part of his keynote address at a conference organized by the Foreign Exchange Dealers' Association of India (FEDAI) on Sunday. The RBI published a copy of the speech on its website on Thursday.*

*India has increasingly aimed to promote trade denominated in rupees. Last July, the RBI introduced a new mechanism to settle international trade in rupees, aiming to promote exports and facilitate imports.*

*Mr. Rao said there was a "good amount of interest" in the rupee trading arrangements the RBI was putting in place. And if the central bank's efforts towards rupee-invoicing bear fruit, local exporters and importers will not need to hedge, he added.*

*While Mr. Rao cautioned that increasingly interconnected markets will bring greater challenges, there were also opportunities.*

*New frontiers will also emerge as Indian banks expand their presence in offshore markets, non-residents participate more in domestic markets, and technological changes continue to transform the way markets function, he said.*

*Related Link: <https://www.thehindu.com/business/india-must-prepare-to-curb-volatility-risks-of-international-rupee-rbi-deputy-governor/article66600247.ece>*

### *Increased funding costs could impact lenders' profit margins*

#### **Concerns:**

*M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)*

Dated: 09<sup>th</sup> March, 2023

*Profit margins at Indian banks and non-bank lenders could narrow as they absorb a part of the staggered increases in funding costs to ensure credit demand remains resilient through the cycle of rate hardening.*

*With the Reserve Bank of India (RBI) raising policy rates to restrain inflation, lenders believe passing on costs fully could hurt credit demand.*

Related Link: <https://economictimes.indiatimes.com/markets/stocks/news/increased-funding-costs-could-impact-lenders-profit-margins/articleshow/98504313.cms>

## **Rate hike season may get longer, predict economists**

Dated: 09<sup>th</sup> March, 2023

*The Reserve Bank of India (RBI) is likely to continue with its razor-sharp focus on inflation and not pause the repo rate hike cycle in the April monetary policy committee meeting, a poll of economists conducted by FE showed.*

*The poll showed that 67% of the participants believe that the RBI will go in for a 25 basis point hike to 6.75%, as the January consumer price inflation jumped to a three-month-high of 6.52% in January.*

*As per Ritesh Bhusari, treasury head at South Indian Bank, the RBI should have “ideally” paused rate hikes at 6.50%. However, the recent inflation data and expectation that US Federal Reserve will also hike its key policy rates, has played spoilsport. Bhusari says the RBI will go ahead with a 25-bp rate hike in April and then pause.*

*“With 7% repo rate, generally we have seen that in normal and tighter liquidity conditions, the spreads hover around 100 bps-150 bps over the repo for 10-year bonds. If 7% is repo then 8% to 8.5% may be the 10-year G-Sec yield, which will impact everyone. Right now we are at 7.5%, if it goes past 8% then there may be a panic situation,” he said.*

*Similarly, Suresh Khatanhar from IDBI Bank says the RBI would like to see the upcoming CPI number, the outcome of US Fed meeting and its effect on the currency and global yields. “The macroeconomic situations prevailing at the last MPC meeting still persist. On the domestic front, the core inflation is likely to be above 6% in near future before cooling off. Global inflation still remains at elevated levels,” he said.*

Related Link: <https://www.financialexpress.com/economy/rate-hike-season-may-get-longer-predict-economists/3002812/>

## **RBI to enable 75 villages for digital payments with support from local entrepreneurs, merchants**

### **Concerns:**

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

Dated: 06<sup>th</sup> March, 2023

Reserve Bank of India's Governor Shaktikanta Das on Monday announced the central bank will initiate a 75 Digital Villages programme to enable 75 villages across the country with digital payments through awareness and support from local entrepreneurs and merchants. Launching the Har Payment Digital initiative to encourage digital payments adoption among people, Das said payment system operators (PSOs) will "adopt 75 villages in the country and convert them into digital payment-enabled villages," under the 75 Digital Villages programme and in observance of 75 years of independence

"They (PSOs) will conduct two camps in each of these villages to enhance awareness and onboard merchants in the village for digital payments," Das said. "The payments ecosystem has a variety of payment systems that have facilitated migration to digital. Unified Payments Interface (UPI) has facilitated digital payments to merchants such as retail outlets, kirana stores, street vendors, etc. across the country," he added.

PSOs are entities authorized by RBI to set up and operate a payment system. As of February 20, 2023, according to the data on the RBI's website, there are 67 PSOs including NPCI, Mastercard, Visa, SBI, Punjab National Bank, Amazon Pay (India), PhonePe, Muthoot Finserv USA, Ola Financial Services, PayU Payments, and more under various categories such as retail payments organisations, card payment networks, ATM networks, prepaid payment instruments, etc.

Related Link: <https://www.financialexpress.com/industry/sme/msme-tech-rbi-to-enable-75-villages-for-digital-payments-with-support-from-local-entrepreneurs-merchants/3001329/>

## **Last tranche of sovereign gold bond scheme for FY23 opens for subscription**

Dated: 07<sup>th</sup> March, 2023

The last tranche of the government's sovereign gold bond scheme for 2022-23 opened for subscription on Monday. The government, in consultation with the Reserve Bank of India (RBI), has fixed the issue price of the fourth tranche at Rs 5,661 per gram.

Investors applying online and making the payment through the digital mode will have to pay an issue price of Rs 5,611 per gram.

Subscription for bonds under the latest tranche will be open till Friday and these will be issued to subscribers on March 14. The bonds will be issued in denominations of one gram of gold or multiples of thereof.

The interest on gold bonds will commence from the date of issue and shall be paid at a fixed rate of 2.50% per annum on the nominal value of the bond.

"Gold is attractively positioned. Gold was \$1,800 per ounce in 2010 and it is \$1,900 per ounce today. Nearly 10 years have passed and gold has done nothing. In general, the production of gold has come off globally. The demand is also picking up because central banks are replacing US dollar denominated reserves with gold. So, there is a general tailwind demand in gold, which means that gold could see an upside in price from current levels," said Anshul Saigal, chief investment officer, Kotak Mahindra Portfolio Management Services.

### **Concerns:**

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

*"If that is the case, gold bond is a good option because you get interest on your investment. All in all, I think this is good investment," he added.*

*The sovereign gold bond scheme was launched by the government in November 2015 under the gold monetisation scheme.*

Related Link: <https://www.financialexpress.com/market/last-tranche-of-sovereign-gold-bond-scheme-for-fy23-opens-for-subscription/3001354/>

## **NCLT AND M & A UPDATES**

### ***NCLT Delhi Approves Resolution Plan Of Suraksha Realty & Lakshdeep Investments & Finance For Jaypee Infratech LTD.***

*Dated: 10<sup>th</sup> March, 2023*

*In a relief for home buyers, a special bench of NCLT Delhi has approved the resolution plan submitted by Suraksha Realty Ltd. along with Lakshdeep Investments and Finance Private Ltd. for the resolution of Jaypee Infratech Ltd. (JIL), with a direction to the successful resolution applicant (SRA) to deliver possession of the flats strictly as per the time frame promised in the resolution plan.*

*The NCLT has further, directed that a monitoring committee will be constituted within seven days, which will take all necessary steps for expeditious implementation of the approved resolution plan. The resolution plan was approved by the Committee of Creditors by 98.55% votes. The plan provides for a total financial outlay of ₹20,363 crore.*

Related Link: <https://www.thehindu.com/business/nclt-approves-jaypee-infratech-resolution-lan/article66600166.ece>

### ***Future Enterprises admitted for insolvency, NCLT appoints interim RP***

*Dated: 08<sup>th</sup> March, 2023*

*The National Company Law Tribunal (NCLT) has ordered Insolvency Resolution Process against Future Enterprises, the company said in its exchange filing.*

*The Mumbai bench of NCLT has also appointed Jitender Kothari as the interim resolution professional (IRP) in the case.*

*NCLT said, "This Tribunal has already granted more than two and half months' time to the Corporate Debtor to settle the amount. However, the Corporate Debtor has raised its hands. In view of the above facts and circumstances, this Bench has no option except to admit the above Company Petition."*

#### **Concerns:**

*M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)*



**Solicitors and Advocates**

*The bench admitted the petition filed by Foresight Innovation, which has said that Future Enterprises has defaulted on payments worth Rs 1.58 crore.*

*Operational creditor Retail Detailz India has filed another petition claiming a default of Rs 4.02 crore.*

*Last September, Central Bank of India appointed J C Kabra and Associates to do a forensic audit of the accounts of Future Enterprises.*

*Another Future Group firm, Future Retail was also admitted under Section 7 of the Insolvency and Bankruptcy Code.*

*The Kishore Biyani-led retailer then said in a stock filing last week that Future Retail failed to get a plan for revival and no resolution plans were received by the RP.*

*Future Group had signed a deal with Reliance Retail to sell its retail, wholesale, logistics and warehousing business for Rs 24,713 crore in August 2020. The deal fell through in April of last year.*

*Future Enterprises also said in its filing that the management of the affairs of the corporate debtor vests in the IRP and the powers of the board of directors stand suspended and are to be exercised by the IRP.*

*It also said that the officers and managers of the corporate debtor shall report to the IRP and provide access to such documents and records of the corporate debtor as may be required by the IRP.*

*Related Link: [https://www.business-standard.com/article/companies/future-enterprises-admitted-for-insolvency-nclt-appoints-interim-rp-123030800883\\_1.html](https://www.business-standard.com/article/companies/future-enterprises-admitted-for-insolvency-nclt-appoints-interim-rp-123030800883_1.html)*

**Thanking You,**

**Team Indiacorp**

**0120 - 421 4372, 9810894275, 8826016751**

**indiacorp@live.com, info@indiacorplaw.com**

**www.indiacorplaw.com**

**Disclaimer:**

*This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither India Corp Law nor any other member of the India Corp Law organization can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.*

**Concerns:**

*M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)*