

## **WEEKLY CORPORATE UPDATES**

**Saturday 18<sup>th</sup> November, 2023**

(Curated & compiled by)

### **Team Indiacorp Law**

**Headed by:**

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## MCA UPDATES

*Stakeholders are informed that 1,49,332 Companies and LLPs got incorporated from 1st April 2023 to 15th November 2023, as against previous year's count of 1,29,571, in the corresponding period.*

*Dated: 16<sup>th</sup> November, 2023*

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*Related Link: <https://www.mca.gov.in/content/mca/global/en/home.html>*

*Stakeholders are informed that 11.54 Lakh Annual Financial Statements and Annual Returns for Companies have been filed for the FY 22-23 till 15-Nov-23 as against 9.90 Lakh forms filed for FY 21-22 for the same period*

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## SEBI UPDATES

***Voluntary delisting norms under review for next board meeting: SEBI Chair Madhabi Puri Buch***

*Dated: 16<sup>th</sup> November, 2023*

*The market regulator will be presenting proposed changes to the voluntary delisting norms to its Board in the next meeting, and adjustments to the trading plan are expected in December or January, according to the Chairperson of the Securities and Exchange Board of India (SEBI).*

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*Sebi's Madhabi Puri Buch made these remarks at FICCI's Capital Market Conference, emphasizing that the regulator is guided not by dogma but by data and logic.*

*She said, "There was a popular belief that we will never review the delisting norms and that we will always stay with the reverse book-building process, as many of you know we floated a consultation paper and we have got a lot of feedback and at the next Board meeting we are taking that proposal to our Board." The regulator released a consultation paper on reviewing the voluntary delisting norms on August 14.*

*Buch added, "It was widely believed that SEBI was very dogmatic about insider trading and the trading plan, again we wanted to break that thought and (convey) that we operate on fundamental principles and on data, and so again we had a consultation paper on trading plan reforms... (I am) happy to report that we are in the process of reviewing all public feedback and perhaps in December or January board meeting, we will be taking the proposal to the Board as well."*

*Related Link: <https://www.moneycontrol.com/news/business/markets/voluntary-delisting-norms-under-review-for-next-board-meeting-sebi-chair-madhabi-puri-buch-11755851.html>*

## ***We will not bring regulations not backed by data, says SEBI chief Madhabi Puri Buch***

*Dated: 16<sup>th</sup> November, 2023*

*SEBI Chairperson Madhabi Puri Buch said that to bring India on the path of realising its potential, for markets to progress and for the regulator to do its job partnerships will play an important role.*

*Addressing the FICCI's Capital Markets Conference on November 16, the SEBI Chairperson said that there are many factors, which impact capital formation but there is only one thing in SEBI's control and that is to process and speedily give approvals leaving no room for delays or any malpractice.*

*It is in this regard that SEBI has introduced various reforms. One of the important reforms was on pendency. While technically every regulator counts pendency from the date of last receipt of information, this gives every regulatory officer the escape hatch that if they are reaching their target timeline, they simply ask another question, Buch said.*

*Related Link: <https://www.moneycontrol.com/news/business/we-will-not-bring-regulations-not-backed-by-data-says-sebi-chief-madhabi-puri-buch-11754291.html>*

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## *SEBI not on a hyperdrive to regulate, it is consulting more, says Madhabi Puri Buch*

*Dated: 16<sup>th</sup> November, 2023*

*The Securities and Exchange Board of India (Sebi) is not in overdrive to impose more regulations on the market but it has become more consultative, chairperson Madhabi Puri Buch said on November 16.*

*“This (the increased issuances of consultation papers) is coming from nothing but a deep-seated belief at Sebi that the market is today very complex and we would be doing the wrong thing if we don’t consult fully and understand everybody’s perspective before we make something into law,” Buch said at FICCI’s Capital Market Conference.*

*Sebi chairperson said the regulator had received feedback that it was on a “hyperdrive” with a consultation paper being issued “every third day” and it was hard to keep track off them. In response to that, she shared data that showed that the issuances reflected a change in regulatory attitude but for the better.*

*Related Link: <https://www.moneycontrol.com/news/business/markets/sebi-is-not-on-a-hyperdrive-to-regulate-it-has-only-become-more-consultative-madhabi-puri-buch-11754321.html>*

## *Subrata Roy, unused cash with SEBI, and fantasies of a comeback that never happened*

*Dated: 15<sup>th</sup> November, 2023*

*Subrata Roy, India’s self-styled baron for the poor, who hobnobbed with the high and mighty, and wore trademark half-jackets and diamond cufflinks, has crossed the rainbow bridge carrying a huge grudge: Why hadn’t the Securities and Exchange Board of India (SEBI) refunded his cash if it was unable to find unpaid investors?*

*The amount was a whopping Rs 21,000 crore plus, enough to create 14 medical colleges. SEBI used only a small portion to pay investors who claimed they were unpaid after investing their savings in chit funds operated by the Lucknow-based conglomerate.*

*“We are devastated, Sir (Subrata Roy) often talked about the missing cash. This is nothing but injustice. This is rank injustice. How come SEBI could not find investors who said they were duped? Or was it deliberately done to crush him,” Roy’s trusted lieutenant and relative Abhijit Sarkar told MoneyControl last night.*

*Related Link: <https://www.moneycontrol.com/news/india/subrata-roy-unused-cash-with-sebi-and-fantasies-of-a-comeback-that-never-happened-11744721.html>*

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## RBI UPDATES

### *Inflation falls to 4-month low of 4.87% in Oct, RBI seen to remain on prolonged pause*

*Dated: 13<sup>th</sup> November, 2023*

*India's retail inflation based on the Consumer Price Index (CPI) fell to a four-month low of 4.87% in October from 5.02% in September, mainly due to the statistical effect of a high base, data released by the National Statistical Office showed on Monday. In October 2022, CPI inflation was 6.77%.*

*Food inflation, based on CFPI, came in at 6.61% in October as compared to 6.62% in the previous month. But this was also on account of a high-base effect which depressed year-on-year inflation rates in October from the levels seen in September, as sequentially indices of all the major food items barring 'oils and fats' rose.*

*Core inflation, which reflects underlying price pressures and excludes volatile components of food and fuel, crashed to a 43-month low of 4.2% during the month. In October last year, core inflation was 6%.*

*October marks the fourth consecutive month of core inflation staying below 5%, and the eighth straight month for it to be recorded below 6%. "The moderation in core inflation indicates that generalisation of price pressures has not taken place. Hence, the Reserve Bank of India is expected to remain on prolonged pause in FY24 and possibly even till mid-FY25," said Gaura Sen Gupta, economist, IDFC FIRST Bank.*

*Related Link: <https://www.financialexpress.com/policy/economy-retail-inflation-eases-to-four-month-low-of-4-87-per-cent-in-october-3306151/>*

### *RBI diktat may dent Bajaj Finance's PAT*

*Dated: 13<sup>th</sup> November, 2023*

*The Reserve Bank of India's (RBI) decision to ban Bajaj Finance's two products — 'eCOM' and 'Insta EMI Card' — with immediate effect on Wednesday could dent the non-banking finance company's (NBFC) bottomline by 6% till it is revoked, analysts say.*

*Foreign brokerage CLSA in a note today said Bajaj Finance issues nearly 700,000 digital EMI card on a quarterly basis for which the processing fees is Rs 600. Due to the ban, the NBFC would now see absence of this fees which would lead to a revenue loss of Rs 42 crore. In addition, as per CLSA's estimate, about 30% of Bajaj Finance digital EMI*

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cardholders apply for a loan within three months and accordingly, the foregone revenue from those loans is another Rs 23 crore.

CLSA said Bajaj Finance's 'e-COM' product generates roughly around 1 million loans each quarter, or 20%-25% of overall consumer durable loans disbursed by the NBFC. Since consumer durable loans account for 10% of overall loans of the NBFC, and 15% of net profit, if incremental 20%-25% of consumer durable loans will be impacted by the ban, the profit would be down by 4%-5%.

Related Link: <https://www.financialexpress.com/business/banking-finance-rbi-diktat-may-dent-bajaj-finances-pat-3309076/>

## **RBI clamps down on unsecured credit**

Dated: 17<sup>th</sup> November, 2023

After warning banks and non-banking financial companies (NBFCs) against a possible crisis in the unsecured loan segment, the Reserve Bank of India (RBI) has decided to walk the talk. On Thursday, it raised the risk weights on personal loans, loans to non-banking finance companies and credit cards – a move that is expected to lead to an increase in lending rates and slow down the growth in these segments. The decision excludes home mortgages, loans for education and cars, and debt backed by gold.

The central bank hiked risk weight for bank lending towards consumer credit, including personal loan from 100% to 125%; NBFCs' consumer loans from 100% to 125%; credit card receivables risk weight from 125% to 150% and for NBFCs' credit card receivable, from 100% to 125%.

For bank lending to NBFCs, the risk weight has been increased by 25% over and above the risk weight associated with the given external rating in all cases where the risk weight as per external rating of NBFCs is below 100%.

Related Link: <https://www.financialexpress.com/business/banking-finance-rbi-tightens-norms-on-personal-loans-for-banks-nbfc-3309017/>

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## NCLT UPDATES

### *NCLT dismisses insolvency plea against Township Developers India Limited*

Dated: 14<sup>th</sup> November, 2023

The National Company Law Tribunal, Mumbai bench in **Piramal Capital and Housing Finance Limited vs. Township Developers India Limited [CP (IB) No. 556/MB/2023]** has recently dismissed an insolvency plea filed against Township Developers India Limited by Piramal Capital and Housing Finance, acting on behalf of the original lender Dewan Housing Finance Corporation (DHFL). The petition was filed due to Township Developers' failure to repay mortgage loans totaling over ₹5,855 crore. However, the Mumbai bench dismissed the petition citing technical limitations related to the timing of the application. The Piramal Group is likely to challenge the order by appealing to the National Company Law Appellate Tribunal (NCLAT) against this dismissal.

Related Link: [gen\\_pdf.php \(nclt.gov.in\)](https://www.nclt.gov.in/gen_pdf.php)

### *Supreme Court Upholds Constitutionality of IBC Provisions Relating To Personal Guarantors*

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

The Supreme Court of India in **Surendra B. Jiwrajika and Anr. vs. Omkara Assets Reconstruction Private Limited [SLP(C) No. 016464/2021 + connected matters]** has upheld the constitutionality of provisions under Part-III, Chapter-III of the Insolvency and Bankruptcy Code pertaining to the Insolvency Resolution of Personal Guarantors. These provisions, introduced through amendments in 2019, had been challenged for not providing an opportunity for personal guarantors to be heard before insolvency proceedings are initiated. The Supreme Court, in its decision, affirmed that the provisions of the Code, specifically Sections 95 to 100, do not violate Article 14 of the Constitution, which guarantees the right to equality before the law. The Court declined to introduce the requirement of an

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opportunity for hearing, emphasizing that it cannot alter the legislative wording. This landmark judgement of the Supreme Court is instrumental in bringing in much-needed clarity to the nascent area of personal insolvency laws in India.

Related Link: [https://main.sci.gov.in/supremecourt/2021/24405/24405\\_2021\\_1\\_3\\_48184\\_Order\\_08-Nov-2023.pdf](https://main.sci.gov.in/supremecourt/2021/24405/24405_2021_1_3_48184_Order_08-Nov-2023.pdf)

## ***NCLAT resumes virtual hearings following SC order, provides guidelines for lawyers***

*Dated: 13<sup>th</sup> November, 2023*

*The National Company Law Appellate Tribunal (NCLAT) is expected to recommence virtual hearings after a hiatus of 1.5 years, as it has issued instructions to lawyers and litigants to join video conferencing. According to the instructions booklet, "for the present, the matters shall be heard by NCLAT through the web-based video-conferencing system on the 'CISCO Webex Meeting' platform." The instructions also contain the procedure to join virtual hearings, along with device specifications and dress code.*

*Virtual court hearings resumed after the Hon'ble Supreme Court passed an order on October 6 directing the central government to provide the requisite infrastructure to all the tribunals for hybrid hearings by November 15.*

Related Link: <https://nclat.nic.in/sites/default/files/2023-11/Instructions%20for%20joining%20Video%20Conferencing.pdf>

**Thanking You,**

**Team Indiacorp**

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