



JSA

JAYA SHARMA & ASSOCIATES

NEWSLETTER

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MCA AND RBI UPDATES

www.mca.gov.in	March 18, 2021	Schedule V of the Companies Act, 2013	http://www.mca.gov.in/Ministry/pdf/AmendmentNotification_19032021.pdf
www.mca.gov.in	March 18, 2021	Companies (Amendment) Act, 2020	http://www.mca.gov.in/Ministry/pdf/CommencementNotification_19032021.pdf
www.mca.gov.in	March 24, 2021	Companies (Audit and Auditors) Rules, 2021	http://www.mca.gov.in/Ministry/pdf/AuditAuditorsAmendmentRules_24032021.pdf
www.mca.gov.in	March 24, 2021	Companies (Accounts) Amendment Rules, 2021	http://www.mca.gov.in/Ministry/pdf/AccountsAmendmentRules_24032021.pdf
https://www.rbi.org.in/	March 12, 2021	Data Format for Furnishing of Credit Information to Credit Information Companies and other Regulatory Measures	https://rbidocs.rbi.org.in/rdocs/notification/PDFs/106C1CSF654BB7394E3478282F8F48B0A649A9C.PDF
https://www.rbi.org.in/	March 25, 2021	Annual Closing of Government Accounts – Transactions of Central / State Governments – Special Measures for the Current Financial Year (2020-21)	https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NT112389D762C6A2E483CBF28A1B0BDB54CEA.PDF
https://www.rbi.org.in/	March 31, 2021	Framework for processing of e-mandates for recurring online transactions	https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NOT11820DB6EC9DF8A4611926B0A897918D64F.PDF

1. March 05, 2021- Circular on Guidelines for votes cast by Mutual Funds
https://www.sebi.gov.in/legal/circulars/mar-2021/circular-on-guidelines-for-votes-cast-by-mutual-funds_49405.html

2. March 16, 2021- Streamlining the process of IPOs with UPI in ASBA and redressal of investors grievances
https://www.sebi.gov.in/legal/circulars/mar-2021/streamlining-the-process-of-ipos-with-upi-in-asba-and-redressal-of-investors-grievances_49522.html

3. March 22, 2021- Guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR) of Market Infrastructure Institutions (MIIs)
https://www.sebi.gov.in/legal/circulars/mar-2021/guidelines-for-business-continuity-plan-bcp-and-disaster-recovery-dr-of-market-infrastructure-institutions-miis-_49601.html

4. March 26, 2021- Transfer of business by SEBI registered intermediaries to other legal entity
https://www.sebi.gov.in/legal/circulars/mar-2021/streamlining-the-process-of-ipos-with-upi-in-asba-and-redressal-of-investors-grievances_49522.html

5. March 30, 2021- Circular on Guidelines pertaining to Surrender of FPI Registration
https://www.sebi.gov.in/legal/circulars/mar-2021/circular-on-guidelines-pertaining-to-surrender-of-fpi-registration_49687.html

6. March 31, 2021- Reduction in unblocking/refund of application money
https://www.sebi.gov.in/legal/circulars/mar-2021/reduction-in-unblocking-refund-of-application-money_49722.html

1. Life Insurance Corporation (LIC) announces new facility for maturity claim payments.

In a bid to mitigate the hardship faced by the Life Insurance Corporation (LIC) of India policy holders, LIC has allowed its Policyholders to deposit their Maturity claim documents at the nearest LIC office anywhere. Making life easier for the LIC of India policy holders, the LIC made it clear that if a policyholder is in one city and the Policy document is of another City then, the documents can be deposited anywhere.

2. Nazara Technologies shares list at 81% premium over issue price.

Nazara Technologies made a bumper market debut on Tuesday, as the shares listed at Rs 1,990 on NSE, a 80.74 per cent premium over the issue price of Rs 1,101. On BSE, the scrip got listed at Rs 1,971, a 79.02 per cent premium. Nazara has become the first gaming company to list in India. The 10.82 per cent stake ace investor Rakesh Jhunjhunwala holds in the company was worth Rs 656 crore at listing. In valuation terms, it has become his sixth largest stock bet.

3. Govt says 44,534 startups recognized under Startup India initiative by DPIIT.

The initiative aims at fostering entrepreneurship and promoting innovation by creating an ecosystem that is conducive to the growth of startups. The recognized startups are eligible for several benefits, including tax exemptions besides other support measures, under the Startup India initiative. As many as 339 startups have been granted income tax exemptions till January 2021. In a separate reply, he said startups are eligible for an 80 percent rebate in patent filing fees and 50 percent on trademark filing fees.

CASE STUDY -1

March 01, 2021	Navinchandra Steels Private Limited (Appellant) vs. SREI Equipment Finance Limited & Ors. (Respondents)	Supreme Court in Civil Appeal Nos.4230-4234 OF 2020 Justice R. F Nariman
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Even in case of pendency of Winding Up petition against the Corporate Debtor, Insolvency Proceedings are maintainable.

Fact of the case

In this appeal, the appellant contends that post admission of a winding up petition, no petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as IBC) can be filed. According to it the effect of Section 279 of the Companies Act, 2013 is that no suit or other legal proceeding can be initiated upon admission of a winding up petition.

Issue:

The question in this particular case lies in the grey area as to whether upon the instance of Winding up petition filed against the Corporate Debtor, the Insolvency Proceedings are maintainable?

Judgement

IBC is a special statute dealing with revival of companies that are in the red, winding up only being resorted to in case all attempts of revival fail. The IBC is not only a special statute which must prevail in the event of conflict, but has a non-obstante clause contained in Section 238, which makes it even clearer that in case of conflict, the provisions of the IBC will prevail.

Section 7 is an independent proceeding, as has been held in numerous judgments. Any “suppression” of the winding up proceeding would, therefore, not be of any effect in deciding a Section 7 petition on the basis of the provisions contained in the IBC. As has been correctly pointed out, that a discretionary jurisdiction under the fifth proviso to Section 434(1)(c) of the Companies Act, 2013 cannot prevail over the undoubted jurisdiction of the National Company Law Tribunal under the IBC once the parameters of Section 7 and other provisions of the IBC have been met. For all these reasons, therefore, the appeal is dismissed.

CASE STUDY -2

March 05, 2021	Piyush Dilipbhai Shah & Ors. (Appellants) vs. Syngenta India Limited (Respondent)	National Company Law Tribunal in Company Appeal No. 208 of 2020 Justice Jarat Kumar Jain (Judicial Member) and Balvinder Singh (Technical Member)
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Brief facts:

In this case the Respondent Company was converted into a Public Company and its shares were listed on Stock Exchange. However, subsequently its shares were delisted. Appellants herein are the minority shareholders of the Respondent Company. Further, the Respondent Company intend to reduce its equity-share capital as per the Companies Act, 2013 thereby extinguishing all the non-promoter shareholding. The Appellants submitted that the Respondent Company is making good profits and therefore the reduction of share capital especially extinguishing the public shares of the Company is unjustified.

Question:

Whether Section 66(1) of the Companies Act, 2013 permit the Company to reduce its share capital in any manner subject to compliance of prescribed procedural requirements.

Judgement:

The National Company law Appellate Tribunal has observed that with respect to the contention of the Appellants, that the Company adopted a selective method for the reduction of the share capital is concerned, Section 66(1) of the Companies Act, 2013 permits the Company to reduce the share capital in any manner and held that the reduction of the share capital is in accordance with law but it is unfair and unjust depriving the fruits of the company to its shareholders. So, to protect the economic interest of public shareholders/non-Promotor shareholders, the company is directed to revalue the shares by a registered/independent valuer and pay the fair price arrived at by the valuer based on the latest audited accounts of the Company.

ARTICLE

Serial No.	Name of Article	Link
1.	KEYMAN INSURANCE- This Article has been authored by Jaya Sharma and Mehul Solanki and same was published on the website Compliance Calendar	Keyman Insurance: Protect Life Of Your Business By Mehul Solanki https://blogs.compliancecalendar.in/keyman-insurance-protect-life-of-your-business-by-mehul-solanki-2062
2.	Stree Shakti Empowering through Starts up India and MSMEs - This Article has been authored by Jaya Sharma and same was published on the website Compliance Calendar	https://twitter.com/ccnewsindia/status/1369690616687259648?s=24
3.	OPC-One Man Company With Broader Angle - This Article has been authored by Mehul Solanki and Ayush Maheshwari and same was published on the website Compliance Calendar	http://ccurl.in/76mVZg
4.	Decriminalization Under LLP Act, 2008 - This Article has been authored by Mehul Solanki and Menakshi Bajaj and same was published on the website Taxguru	https://taxguru.in/corporate-law/decriminalization-offences-llp-act-2008.html
5.	Changing landscape of CSR in India - This Article has been authored by Mehul Solanki and Saurabh Vaze and same was published on the website Taxguru	https://taxguru.in/corporate-law/changing-landscape-csr-india.html
6.	Précis on MCA Version 3.0 Artificial Intelligence And Analytics - This Article has been authored by Mehul Solanki and Devyani Bhati and same was published on the website Compliance Calendar	Précis on MCA Version 3.0 Artificial intelligence and Analytics By Mehul Solanki and Devyani Bhati

Should you wish to write to us with your valuable feedback or seek any inputs from us, you are welcome at bodha@jsa-cs.com.

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