Swift India
CORPORATE SERVICES LLP

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CHANGE IN NAME FROM SWIFTINDIAINC CORPORATE SERVICES LLP AS ON 07.02.2017

Swift e-Bulletin
Edition 36/20-21
Week – March 22nd to March 26th

Quote for the week:

"The best decisions aren't made with your mind but with your instincts."

- Lionel Messi

Introduction

We welcome you to our weekly newsletter!

The 'Swift e-Bulletin' - weekly newsletter, covers all regulatory updates and critical judgements passed during the week. We hope that you liked our previous editions and found it to be of great value in its content. We want this newsletter to be valuable for you so, please share your feedback and suggestions to help us improve.

In the wake of COVID-19, the various regulatory authorities have been granting many relaxations, exemptions and amendments to the various legislations by regulatory authorities to ease out the operations during this time of crisis.

Further, various regulatory authorities have been proactive in bringing significant regulatory changes in recent challenging times. This week's newsletter covers various Circulars/notifications issued by certain regulatory authorities such as the Ministry of Corporate Affairs (''**MCA**''), the Securities and Exchange Board of India ("**SEBI**") and critical judgements and orders passed by the National Company Law Tribunal (**"NCLT"**), SEBI, Supreme Court and High Court.

We have prepared a comprehensive summary for quick reference of the aforesaid updates and Judgements / orders issued during the week of March 22, 2021 to March 26, 2021.

Thank you,
Swift Team

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Table of Contents

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REGULATORY UPDATES

MCA UPDATES

1. **MCA notifies commencement of certain sections of the Companies (Amendment) Act, 2020 (No, 29 of 2020) vide Gazette Notification dated March 24, 2021**

- Central Government hereby designates March 24, 2021 as the date on which the provisions of Section 23 and Section 45 of the Companies (Amendment) Act, 2020 (No. 29 of 2020) pertaining to Section 124 relating to Unpaid Dividend Account and Section 247 relating to valuation by Registered Valuers of the Companies Act, 2013 respectively shall come into force. Below is a brief description of the said amendments in respect to the Companies Act.

- **Section 124:** This notification amends sub-section 7 of section 124 of the Companies Act, 2013, which talks about Unpaid Dividend Account. This sub section specifies the penalty for non-compliance with any of the requirements of section 124. The modified sub section shall be read as under:

  “If a company fails to comply with any of the requirements of this section, such company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with a further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of ten lakh rupees and every officer of the company who is in default shall be liable to a penalty of twenty-five thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of two lakh rupees.”

- **Section 247:** This notification amends sub-section 3 of section 247 of the Companies Act, 2013 which talks about valuation by Registered Valuers. This sub section specifies the penalty for non-compliance with any of the requirements of section 247 and rules made thereunder. The modified Sub section shall be read as under:

  "punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees", the words "liable to a penalty of fifty thousand rupees" shall be substituted.”

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To read the Notification in detail, please click here

To read the Companies (Amendment) Act, 2020 (No 29 of 2020), please click here.

2. MCA amends Companies (Audit and Auditors) Rules, 2014 in relation to disclosures vide Gazette Notification dated March 24, 2021

- This Gazette notification shall be called Companies (Audit and Auditors) Amendment Rules, 2021 which shall come into force from **April 01, 2021.**

- In Rule 11 of Companies (Audit and Auditors) Rules, 2014 relating to other matters to be included in the Auditors Report additional disclosures have been notified which the auditor will henceforth have to provide in his Audit Report which shall include, among others:

  - *Whether dividend paid or declared during the year complies with section 123 of the Companies Act, 2013;*

  - *In addition to the disclosures in notes to accounts whether there is a management representation that:*

    - It has not advanced, loaned or invested funds to any person, domestic or foreign entity ("the Intermediaries") with an intent that such intermediaries shall invest or lend such funds to ultimate beneficiaries or to provide guarantee or security to such ultimate beneficiaries identified by the Company on its behalf
    - Whether the company received funds from a foreign entity or person for being extended as loan, investment or guarantee to an ultimate beneficiary
    - Whether the Companies accounting software has a feature of recording audit trail or not and whether the company has maintained such system throughout the year and such features has not been tampered with.

To read the Notification in detail, please click here

3. MCA amends Companies (Accounts) Rules, 2014 in relation to Books of accounts maintained in electronic format vide Gazette Notification dated March 24, 2021

- This Gazette notification shall be called Companies (Accounts) Amendment Rules, 2021 which shall come into force from **April 01, 2021.**

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- In Rule 3 which talks about the manner of keeping books of account in electronic mode, a new proviso has been introduced whereby from April 01, 2021 all companies using accounting software to maintain their Books of accounts shall use only such accounting software which is capable of:

  - *Recording audit trail of each and every transaction;*
  - *Creating edit log for every change made in the books of account along with the date on which such change was made and to ensure that the audit trail cannot be disabled.*

- In Rule 8 sub rule 5 which talks about additional disclosures to be made in the Board report of every listed company and such other classes of company as may be prescribed shall now also include:

  - *Details of any application or proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status at the end of the year;*
  - *Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial Institutions along with reasons.*

  To read the Notification in detail, please click here

4. MCA Amends Schedule III of the Companies Act pertaining to general instructions for preparation of Balance sheet and Profit and Loss Account vide Notification dated March 24, 2021

- Schedule III of the Companies Act 2013 contains general instructions for preparation of Balance Sheet and statement of profit and loss of a company.

- Broad changes have been made to align Schedule III with recent changes and such amendments shall come into effect from **April 01, 2021.**

- Some of the important changes to the said schedule are as under:

  - *In the notes under the head share capital shareholding of promoters shall also have to be disclosed separately;*
  - *Current maturities of Long-term borrowings shall be disclosed separately under the heading short-term borrowings;*

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- *Ageing schedules shall henceforth be provided for trade receivables, capital-work-in progress and trade payables;*
- *Title deeds of immovable property not held in name of the company shall also need to be disclosed and in event where the company has revalued its property, plant and equipment, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017;*
- *Disclosures to be made where loans or advances in the nature of loans are granted to promoters, directors, KMPs and related parties;*
- *Details of benami property held by the company shall also be disclosed by the Company;*
- *Where a company is a declared willful defaulter by any bank or financial Institution or other lender, details of the same will have to be disclosed;*
- *Disclosure of any transactions with companies struck off;*
- *Where any charges or satisfaction are yet to be registered with Registrar of Companies beyond the statutory period, details and reasons for the same shall be disclosed by the Company;*
- *Disclosure pertaining to utilization of borrowed funds and share premium;*
- *Details of Crypto currency or Virtual currency in which the company has traded or invested in shall also be disclosed.*

The Gazette notification is still awaited to read the Notification in detail, please click here

SEBI UPDATES

1. **SEBI issues detailed guidelines on Business Continuity Plan ("BCP") and Disaster Recovery ("DR") of Market Infrastructure Institutions ("MIIs") vide Circular dated March 22, 2021**

- SEBI vide circular **SEBI/HO/MRD/DMS1/CIR/P / 2019 / 43** dated March 26, 2019 prescribed framework for Business Continuity Plan ("**BCP**") and Disaster Recovery Site ("**DRS**") for Stock Exchanges, Depositories and Clearing Corporations.

- With advancement in technology and improved automation of processes the Board felt that the extant framework needs to be re-examined with a view to reducing the time-period specified for moving from Primary Data Centre("**PDC**") to DRS.

- Hence SEBI hereby makes the following changes in the framework for BCP and DR some of which are mentioned herewith:

  - *Stock Exchanges, Clearing Corporations and Depositories (collectively referred as Market Infrastructure Institutions – MIIs) shall have in place BCP and DRS so as to maintain data and transaction integrity;*
  - *All MIIs shall constitute an Incident and Response team ("**IRT**") / Crisis Management Team ("**CMT**"), which shall be chaired by the Managing Director of the MII or by the Chief Technology Officer ("**CTO**");*
  - *The Technology Committee of the MIIs shall review the implementation of BCPDR policy approved by the governing board of the MII on a quarterly basis.*

- Configuration of DRS/NS with PDC

  - *Hardware, system software, application environment, network and security devices and associated application environments of DRS / NS and PDC shall have one to one correspondence between them;*
  - *MIIs to also ensure that the Recovery Point Objective ("**RPO**") - the maximum tolerable period for which data might be lost due to a major incident- shall be 15 minutes;*
  - *Replication between PDC and NS should be synchronous to ensure zero data loss whereas, the one between PDC and DRS and between NS and DRS may be asynchronous.*

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- BCP – DR Policy Document

  - *MIIs shall put in place a comprehensive BCP-DR policy document;*
  - *The BCP-DR policy document of MII should be approved by Governing Board of the MIIs after being vetted by Technology Committee and thereafter communicated to SEBI. The BCP-DR policy document should be periodically reviewed at least once in six months and after every occurrence of disaster;*
  - *In case a MII desires to lease its premise at the DRS to other entities including to its subsidiaries or entities in which it has stake, the MII should ensure that such arrangements do not compromise confidentiality, integrity, availability, targeted performance and service levels of the MII's systems at the DRS. The right of first use of all the resources at DRS including network resources should be with the MII. Further, MII should deploy necessary access controls to restrict access (including physical access) of such entities to its critical systems and networks.*

To read the Circular in detail, please click here

2. SEBI issues clarification on the valuation of bonds issued under Basel III framework vide Circular dated March 22, 2021

- SEBI via Circular No. **SEBI/HO/IMD/DF4/CIR/P / 2021 / 032** dated March 10, 2021 had stated that the maturity of all perpetual bonds shall be treated as 100 years from the date of issuance of the bond for the purpose of valuation.

- In order to protect the interests of investors in securities and to promote the development of and to regulate the securities market and to ensure smooth implementation of the policy, SEBI has decided that the deemed residual maturity for the purpose of valuation of existing as well as new bonds issued under Basel III framework shall be as below:

Time Period	Deemed Residual Maturity of Basel III AT-1 bonds (Years)	Deemed Residual Maturity of Basel III Tier 2 Bonds (Years)
Till March 31, 2022	10	10 years or Contractual Maturity whichever is earlier
April 01, 2022 – September 30, 2022	20	Contractual Maturity

October 01, 2022 – March 31, 2023	30	Contractual Maturity
April 01, 2023 onwards	100 (100 years from the date of issuance of bond)	Contractual Maturity

- Further, if the issuer does not exercise call option for any International Securities Identification Number (''**ISIN**'') then the valuation and calculation of Macaulay duration shall be done considering maturity of 100 years from the date of issuance for AT-1 Bonds and contractual maturity for Tier 2 bonds, for all ISINs of the issuer in cases where if the non-exercise of call option is due to the financial stress of the issuer or if there is any adverse news the same shall be reflected in the valuation.

- SEBI has also advised the Association of Mutual Funds in India (''**AMFI**'') to issue detailed guidelines with respect to valuation of bonds issued under Basel III framework which shall be implemented by April 01,2021.

  To read the Circular in detail, please click here.

3. SEBI reviews delivery default norms vide Circular dated March 23, 2021.

- SEBI vide Circular **SEBI/HO/CDMRD / DRMP / CIR / P / 2016 / 90** dated September 21, 2016 had prescribed provisions for the levy of penalty in the event of delivery default pursuant to which SEBI received several representations from market participants in the commodity derivatives segment to ensure standardization of delivery default norms, strengthening the deterrent mechanism and ensuring adequate compensation to the non-defaulting counterparty.

- In view of the same following changes have been made to the earlier provisions which shall come into effect from the first trading day of the month of May, 2021**:**

  - *In agricultural commodities, the penalty for delivery default by seller shall now be 4% of the settlement price plus replacement cost.*
  - *non-agricultural commodities, the penalty for delivery default by seller shall remain at 3 % of settlement price plus replacement cost.*
  - *In agricultural as well as non-agricultural commodities, the provisions for levy of penalty on delivery default by buyer shall be put in place by the Clearing Corporations (''**CC**'')*

- Penalty on seller in case of delivery default (default in delivery against open position at expiry in case of compulsory delivery contracts, default in delivery after giving intention for delivery) shall be as follows:

  - *Futures contracts on Agri-commodities:*
    4% of settlement price + replacement cost (difference between settlement price and average of three highest of the last spot prices of 5 Page 2 of 3 succeeding days after the commodity pay-out date, if the average price so determined is higher than settlement price, else this component will be zero.)

  - *Futures contracts on Non-Agri commodities:*
    3% of settlement price + replacement cost (difference between settlement price and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than settlement price, else this component will be zero.)

- Further, Norms for apportionment of penalty have also been mentioned in the circular as well as Clearing Corporations and Exchanges shall also have the flexibility to increase or decrease penalty for specific commodities depending on situation in consultation with SEBI.

- In the case of a default by a buyer in both agricultural and non-agricultural commodities, following standard procedure shall be followed by the Clearing Corporations:

  - *The Clearing Corporation shall review the loss incurred by the non-defaulting party, i.e. seller, at its sole discretion, and accordingly levy penalty on the defaulting buyer. However, such penalty shall be within the overall cap of delivery margins collected by the CCs, from such defaulting buyer*

To read the Circular in detail, please click here.

4. SEBI issues clarification on transfer of shareholdings among immediate relatives and transmission of shareholdings and their effect on change in control vide Circular dated March 25, 2021.

- SEBI vide circular **No: CIR/MIRSD/14/2011** dated August 02, 2011 addressed to stock exchanges, depositories and intermediaries had specified the procedure for seeking prior approval for change in control.

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- SEBI hereby issues the following clarification in respect to the above-mentioned entities with respect to transfer of shareholding among immediate relatives and transmission of shareholding:

  - *Transfer/transmission of shareholding in case of body corporate type intermediary: in the following cases changes in shareholding of the intermediary shall not be considered as change in control*

    - Transfer of shareholding among immediate relatives. Immediate relatives hereby shall mean as defined under Regulation 2(l) of SEBI (Substantial Acquisition of shares and Takeover) Regulation,2011;
    - Transfer of shareholding by way of transmission to immediate relative or not.

  - *Transfer/transmission of shareholding in case of proprietary type intermediary:*

    - Any transfer or bequeathing of the business or capital by way of transmission to another person will be considered as change in the legal formation or ownership and hence such transmission or transfer shall be considered as change in control.

  - *Transfer/transmission of shareholding in case of partnership firm type intermediary:*

    - **Transfer of ownership interest in case of partnership firm:**
      In case of a SEBI registered firm with more than two partners any inter-se transfer amongst the partners shall not be construed to be change in control however where the partnership firm consists of two partners only the same would stand as dissolved upon the death of one of the partners unless a new partner is inducted in which case the same would be considered as a change in control requiring fresh registration and prior approval of SEBI.

    - **Transmission of ownership interest in case of partnership firm:**
      Where the partnership deed contains a clause that in case of death of any partner the legal heir(s) of deceased partner be admitted then the legal heir(s) may become the partner (s) of the partnership firm and such transmission shall not amount to change in control.

To read the Circular in detail, please click here.

5. SEBI takes decisions at its Board meeting on various amendments in multiple regulations vide Circular dated March 25, 2021.

- In respect of framework of Innovators Growth platform ("**IGP**") under SEBI (Issue of Capital and Disclosure Requirements) Regulations, some of the amendments approved are:

  - *Present eligibility requirement under IGP for issuer to have 25% of pre-issue capital held by eligible investors for two years' period is reduced to one year;*
  - *Issuer companies which have issued Superior Voting Rights ("**SR**") equity shares to promoters / founders shall be allowed to do listing under IGP framework;*
  - *For companies listed under IGP framework, stipulation for triggering open offer under Takeover Regulations, 2011, has been relaxed from existing 25% to 49%.*

- SEBI hereby introduces new requirements for sustainability reporting by listed entities. This new report shall be called the Business Responsibility and Sustainability Report ("**BRSR**") and shall replace the existing Business Responsibility Report ("**BRR**"); which shall be to the top 1000 listed entities (by market capitalization) reporting on a basis FY 2021–22 on voluntary basis and on a mandatory basis from FY 2022 –23.

- Amendment to SEBI (Alternative Investment Funds) Regulations, 2012

  - *List of restricted activities or sectors from the definition of Venture Capital undertaking have been removed;*
  - *Alternative Investment Fund ("**AIFs**") shall be allowed to simultaneously invest in units of other AIFs and directly in securities of investee companies subject to certain conditions.*

- Review of regulatory framework for reclassification of promoter/ promoter group entities

  - *Board approved to rationalize the existing framework pertaining to reclassification of promoter/ promoter group entities which includes exemption from:*

- The requirement of seeking approval of shareholders in cases where the promoter seeking reclassification holds shareholding of less than 1%, subject to the promoter not being in control;
- Few procedural requirements related to reclassification such as obtaining request from promoter, approval from the board and shareholders in case of open offer under SEBI Takeover Regulations and scheme of arrangement.

- Review of SEBI (Delisting of Equity Shares) Regulations, 2009

  - *The Board has approved several amendments to the SEBI (Delisting of Equity Shares) Regulations, 2009 (Delisting Regulations) some of the amendments are:*
    - Promoter/acquirer will be required to disclose their intention to delist the company by making an initial public announcement;
    - The committee of Independent Directors will be required to provide their reasoned recommendations on the proposal for delisting;
    - Promoter will be bound to accept the price discovered through reverse book building if the same is equal to the floor price / indicative price;
    - Role of merchant banker involved in the delisting process has been elaborated.

- Applicability, constitution and role of the Risk Management Committee (“**RMC**”)

  - *The role of the RMC has been expanded and the requirements have also been amended and shall include:*

    - Requirement to constitute the RMC has been extended to the top 1000 listed entities by market capitalization from the existing top 500 listed entities;
    - The RMC shall have minimum three members with majority of them being members of the board of directors, including at least one independent director;
    - The quorum for a meeting of the RMC shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance.

- Review of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- *The Board approved several amendments to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations). Some of the key amendments are as follows:*

  - Formulation of dividend distribution policy by the existing top 500 listed entities has been extended to the top 1000 listed entities on the basis of market capitalization;
  - The requirement to seek stock exchange approval for change of name of a listed entity is dispensed with;
  - The timelines for submission of periodic reports viz. statement of investor complaints, corporate governance report and shareholding pattern will be harmonized to 21 days from the end of each quarter;

To read the Press release in detail, please click here.

6. **SEBI issues clarification on transfer of business by SEBI registered intermediaries to other legal entity vide Circular dated March 26, 2021**

- SEBI has been receiving registration applications pursuant to transfer of business (**SEBI regulated business activity**) from one legal entity which is a SEBI registered Intermediary (transferor) to other legal entity (transferee) based on which SEBI issued the following clarifications:

  - *The transferee shall obtain fresh registration from SEBI in the same capacity before the transfer of business if it is not registered with SEBI in the same capacity and SEBI hall issue new registration number to transferee different from transferor's registration number in the following scenario herewith:*

    - Business is transferred through regulatory process (pursuant to merger / amalgamation / corporate restructuring by way of order of primary regulator /govt / NCLT, etc.) or non-regulatory process (as per private agreement /MOU pursuant to commercial dealing or private arrangement).

  - In case of change in control pursuant to both regulatory process and non-regulatory process, prior approval and fresh registration needs to be obtained.

  - Cases where the transferor ceases to exist its certificate of registration shall be surrendered, in cases of complete transfer of business by transferor, it shall surrender its certificate of registration and in case of partial transfer of business by transferor, it can continue to hold certificate of registration

To read the Circular in detail, please click here

JUDGEMENTS/ ORDERS

NCLT

1. National Company Law Tribunal allows the Restoration of M/s. Ramesh Real Estate Builders & Developers Private Limited

National Company Law Tribunal, Allahabad Bench ("Tribunal") accepts the appeal filed by the directors of the M/s. Ramesh Real Estate Builders & Developers Private Limited ("Appellant Company") under section 252 of the Companies Act, 2013 ("the Act") and allows the restoration of the Appellant Company.

The Appellant Company had been struck off from the Register of Companies by Registrar of Companies **("RoC"),** Uttar Pradesh due to non-filing of financial statements and annual returns for the past few financial years, in accordance with section 248 of the Act, giving an indication that the business of the company was not in operation and had not filed application under section 455 of the Act for obtaining status of Dormant Company. Further the Appellant Company has also failed to fulfill the statutory compliances prescribed under the Income Tax Act, 1961 since the financial year 2014 onwards

The learned counsel of Appellant Company submitted that the failure to file the annual returns by the company was due to market conditions, economy and various changes in laws. In order to support his plea, the learned counsel placed the audited accounts for the for financial years 2014-2015 to 2019-2020, copy of acknowledgements of Income Tax Returns and copy of Bank statements of the relevant period before Tribunal.

Based on facts presented, the Tribunal was satisfied that during the relevant period, the Appellant Company has complied with the statutory requirements and has certain assets which necessitate and justify restoration of its name. Hence, Tribunal passed the restoration order subject to payment of costs of INR 50,000/- and filing of all statutory returns by the Appellant Company.

To read the order in detail, please click here.

SEBI

1. **Order in the matter of complaint of Mr. Manoj Dharamdas Shah against Eicher Motors Limited**

In respect of M/s. Eicher Motors Limited (**Noticee**), Securities and Exchange Board of India (**SEBI**) received a complaint from Mr. Manoj Dharamdas Shah (**the Complainant**), alleged shareholder of the noticee. It was alleged that the noticee and its Registrar and Share Transfer Agent (RTA), had cheated him by changing his address and signature in their records, issuing duplicate share certificates for 100 shares of Eicher belonging to him and thereafter illegally transferring the said shares in the name of Mr. Vijay Ratnakar Humbre.

SEBI conducted a preliminary examination in the matter and observed that, RTA could not produce the evidence pertaining to the request for change of signature and address; the documents obtained by RTA for issuing share certificate the name of shareholder we mentioned different; While issuing duplicate share certificate, the Noticee and RTA relied on FIR copy, name and address of shareholder etc; RTA did not publish advertisement in any newspaper informing general public about loss of original share certificate and the Noticee did not take proper steps to resolve the claim of the complainant and did not invoked the indemnity bond to issue shares and corresponding benefits to the rightful owner. Based on the above observation SEBI noted that the Noticee did not follow proper procedures and carry out due diligence while issuing duplicate share certificate.

On reply to the Show Cause Notice (SCN) issued by the SEBI, Noticee stated that the Complainant has withdrawn his complaint against the Company and has issued a no objection certificate in this regard. Thus, the SCN has become infructuous and is liable to be withdrawn; The STA is responsible and accountable for undertaking the entire process of transfer or transmission of shares and related or ancillary activities; Section 2(60)(vii) of the Companies Act, 2013 provides that in respect of issue or transfer of any shares of a company, the term "officer who is in default" would mean “the share transfer agents, registrars and merchant bankers to the issue or transfer.” Therefore, the STA is liable exclusively for the violations found by SEBI; with respect to the change of signature and address the Complainant, RTA had scrutinized the documents and upon its satisfaction, had updated the new address and signature of the Complainant in its records. The Company does not have or maintain any records concerning the requests for change in signature and/or address; the Company approved the transfer based on the details received from RTA and approved by the Board.

After examination of the facts and reply to the SCN by the noticee, SEBI observed that: (a) Signature records not maintained by RTA; (b) The Noticee failed to take proper steps while issuing duplicate share certificate; (c) No advertisement was made by RTA in newspaper.

Based on the allegations SEBI passed the below order:

1. With regards to non-availability of signature records, it was noted that, signatures were handed over by the RTA to new STA. Hence no actions were proposed by SEBI and drop the said allegation against the Noticee.

2. With regards to Noticee failed to take proper care while issuing duplicate share certificate and failed to make advertisement in newspaper, SEBI noted that the Noticee accepted the fact that the complainant's father name was incorrectly mentioned in FIR copy and other documents were not proper;

3. SEBI did not agree on the fact that since Noticee appointed the SEBI registered RTA, then Noticee cannot be held responsible for any procedural lapses.

4. SEBI noted that Noticee has to exercise due diligence and care while considering any proposal received from its RTA, irrespective of whether RTA has given its approval or not.

5. SEBI noted that, where the investor has complained about issuing of duplicate share certificate(s) by the company on the basis of allegedly forged /stolen documents furnished by a third party, the company shall verify and satisfy itself of the claim of the investor, within 15 days of receipt of the claim and take steps. However, except for filing a criminal complaint in the matter, Noticee had not done anything to satisfy itself of the claim of the complainant in the matter and did not invoked the indemnity bond to issue shares and corresponding benefits to the rightful owner. Hence, noticee violated the SEBI listing agreement.

6. Further SEBI note that the Complainant withdraw his complaint against Noticee.

7. SEBI noted that, the order issued by SEBI on October 27, 2016 did not contain any other direction against the Noticee and the order no longer survives because of withdrawal of complaint by the Complainant. In this regard SEBI warn the Noticee to exercise due care and caution and ensure adherence to all applicable norms for issuance of duplicate shares henceforth and dispose of the current proceedings without any directions.

To read the order in detail, please click here.

HIGH COURT

1. **Dr. Reddy's Laboratories Limited application seeking urgent interlocutory injunction to restrain the release of a feature film "Haathi Mere Saathi", alleging that the movie disparages its registered trademark/brand 'DRL' was dismissed on the ground being completely devoid of merits.**

Dr. Reddy's Laboratories Limited	**Plaintiff**
Eros International Media Limited and ANR.	**Defendants**

Date of Judgement: March 23, 2021

The Plaintiff - Dr. Reddy's Laboratories Limited, a multinational pharmaceutical company engaged in the business of manufacturing, marketing and distribution of pharmaceutical, nutritional and cosmetic products, having its headquarters located at Hyderabad and the Defendant - Eros International Media Limited, is a leading global motion movie production and distribution company incorporated in 1981. It is producing and releasing the movie "Haathi Mere Saathi" (alternately titled 'Kaadan' in Tamil and 'Aranya' in Telugu) via any media platform such as cinemas, OTT, etc., which has been directed by Mr. Prabhu Solomo.

The Plaintiff in the last week of February, 2020, discovered that the Defendant media house is using/portraying the Plaintiff's word mark/brand 'DRL' in the trailer video of the movie, as part of the name 'DRL Township', in a derogatory/disparaging manner. Being aggrieved that such unauthorized use of 'DRL' as part of the movie plot, as one acting for commercial exploitation and gain with no regard to the environment, and showing its brand in a poor light, is purposeful, mala fide and intended to detriment the distinctive character, reputation and goodwill of the plaintiff's brand.

This being the case, the Plaintiff decides to seeks urgent interlocutory injunction to restrain the release of a feature film alleging that the movie disparages Plaintiff's registered trademark/brand 'DRL'.

The Delhi High Court, concluded that, the present application is completely devoid of merits and accordingly, dismissed the application, as the Plaintiff has not been able to make out

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a case of irreparable loss that it would suffer if the movie is released and informed that the Plaintiff has failed to meet the three-pronged test for grant of injunction and the Plaintiff does not have a prima facie case in its favour, and the balance of convenience is in favour of Defendants and not in favour of the Plaintiff.

To read the Judgement in detail, please click here.

2. **Ad interim relief sought in its prayer by Indiabulls Housing Finance Limited for the application filed under Section 9 of the Arbitration & Conciliation Act, 1996 was rejected**

Indiabulls Housing Finance Limited	**Petitioner**
Ambience Projects and Infrastructure Private Limited & ORS.	**Respondents**

Date of Judgement: March 23, 2021

The Petitioner - Indiabulls Housing Finance Limited ("**IHFL**") had filed an application under Section 9 of the Arbitration & Conciliation Act, 1996 praying to seek issuance of notice and grant of ad interim relief to be sought in prayer (e) in the petition, in terms of prayers (c) and (d) thereof. IHFL had advanced loans under 18 Loan Agreements to Ambience Projects & Infrastructure Private Limited ("**APIPL**") and other co-borrowers, as listed out in the judgement, who are also respondents in the present petition. The Loan Agreements were provided for securing the loans by guarantees as well as by hypothecation and pledging of assets.

The Court informed that, the arguments before it is restricted to the prayer of injunct, ad interim and pending decision of the Section 9 petition, APIPL from making any payment to any third party, or to any of its own sister concerns.

The Court rejected the petition filed praying for ad interim relief and held that the dispute involves stake in excess of INR 500 crores, which requires to be decided expeditiously. The Court further concluded that, the observations contained in this order are intended only to dispose of prayer (e), for ad interim relief in terms of prayers (c) and (d). They do not propose to express any final opinion on any of the other prayers in the petition, or even on the entitlement of the petitioner, at the stage of final hearing of the Section 9 petition, to the reliefs sought therein.

To read the Judgement in detail, please click here.

3. **The Court found no merit in the Writ petition filed by DSPC Engineering Private Limited, and dismissed the case with costs of INR 5,00,000/- to be paid to the respondent and further directed the Competent Authority to undertake an enquiry into the aspect whether the petitioner company itself qualifies as "Bidder from a country which shares land border with India" in terms of Clause 8 of the said Public Procurement Order No.1 dated July 23, 2020**

DSPC Engineering Private Limited	**Petitioner**
Mecon Limited	**Respondent**

Date of Judgement: March 23, 2021

Writ Petition was filed by DSPC Engineering Private Limited ("**DSPC**"), engaged in the business of executing contracts for installation of pipelines for oil and gas sector in India, for Indian Oil Corporation Limited. DSPC is registered with the Registrar of Companies, Delhi, and also having its registration under the Micro, Small and Medium Enterprises Development Act, 2006.

The Writ petition filed by DSPC was under Article 226 of the Constitution of India is: Whether the policy decision of the Government of India, which requires that any bidder from a Country which shares land border with India should register with the Competent Authority, is attracted in the case of the petitioner. The said petition was filed agaisnt the respondent – Mecon Limited, which is a project management consultant of GAIL India Limited, which had issued an advertisement inviting bids for E-Tender for laying pipeline, and associated works under Dhamra-Angul Pipeline Project of Jagdishpur-HaldiaBokaro- Dhamra Pipeline Project ("JHBDPL") PH-II. The tender work was split into 3 Sections, namely Section I, II and III and the petitioner - DSPC submitted its bids for Section II of the invitation to bid, Clause A relates to Technical Criteria.

The Court in its judgement held that no merit was found in the present petition, and dismissed the case with costs of INR 5,00,000/- to be paid to the respondent by the petitioner within a period of four weeks and further directed the Competent Authority in terms of the Public Procurement Order No.1 dated July 23. 2020 to undertake an enquiry into the aspect whether the petitioner company itself qualifies as "Bidder from a country which shares land border with India" in terms of Clause 8 of the said Public Procurement Order No.1 dated July 23. 2020 and a copy of the judgment be communicated to the

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Ministry of Finance, Department of Expenditure, Public Procurement Division for onward transmission to the Competent Authority, and for compliance by it.

To read the Judgement in detail, please click here.

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SUPREME COURT

1. **The Supreme Court held that, by the order of the High Court appointing an arbitrator under Section 11(6) of Arbitration and Conciliation Act 1996 ("Act") was unsustainable with regards to Power Purchase Agreement entered into between M P Power Trading Co Limited and Narmada Equipments Private Limited.**

Chief General Manager (IPC)
M P Power Trading Co Limited & Anr **Appellant (s)**
Narmada Equipments Private Limited **Respondent (s)**

Date of Judgement: March 23, 2021

M P Power Trading Co Limited had entered into a Power Purchase Agreement ("PPA") with respondent - Narmada Equipments Private Limited in May 1999. Under the said PPA the respondent was to establish a mini hydro-electric project on a built and operate basis. However, the PPA was terminated in the year September 2001 by the Board. In this respect, the respondent initially filed a writ petition challenging the termination of the PPA and the High Court, by its order declined to entertain the petition in view of an arbitration agreement contained in Clause 12.3 of the PPA. Thereafter, the respondent filed a review petition which was again dismissed by the High Court by an order in the year December 2009. Having received no reply from the Board, an application was filed under Section 11(6) of Act by the respondent seeking the appointment of an arbitrator.

Thereafter, the High Court, by its order recorded that the respondent and the appellant had agreed to nominate their arbitrators and observed that the two arbitrators would proceed to appoint a third arbitrator, in accordance with the procedure in Clause 12.3(a) of the PPA.

The Supreme Court in the above view of the matter, by the order of the High Court appointing an arbitrator under Section 11(6) of the 1996 Act was unsustainable and accordingly the appeal was allowed and set aside the impugned judgment and order of the High Court. It was further held that, this will not come in the way of the respondent in taking recourse to such remedies as are available in law and expressed no opinion either on the merits or the objections of the appellant which, when urged, would be considered by the appropriate forum.

To read the Judgement in detail, please click here.

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