Swift India
CORPORATE SERVICES LLP

Swift e-Bulletin

Edition 40th 21-22
Week – January 10th to January 14th

<u>Quote for the week:</u>

"Whenever you find yourself on the side of the majority, it is time to pause and reflect."

– Mark Twain

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.

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 Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), International Financial

Services Centers Authority ("IFSCA"), and critical judgements and orders passed by the National Company Law Tribunal ("NCLT"), High Court and Supreme Court.

The Regulatory authorities provided various updates/relaxations, some of which being:

- SEBI vide a press release dated January 12, 2022 grants recognition to CDSL Ventures Limited as an Accreditation Agency.
- MCA amends e Companies (Registration Offices and Fees) Rules, 2014 vide notification dated January 11, 2022.

We have prepared a comprehensive summary for quick reference of the aforesaid updates and Judgements / orders issued during the week of January 10, 2022 to January 14, 2022.

Thank you,
Swift team

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REGULATORY UPDATES

MCA UPDATES

1. **MCA amends Companies (Registration Offices and Fees) Rules, 2014 vide notification dated January 11, 2022.**

    - These Rules shall come into force form July 01, 2022.

    - In the Companies (Registration Offices and Fees) Rules, 2014, (Fee for filing under Section 403 of the Companies Act, 2013), for sub-item B are substituted with higher fees for delay in filing of forms other than for increase in Nominal share capital or forms under section 92/137 of the Act or forms for filing charges.

To read the circular in detail, please click here.

2. **MCA appoints July 1st, 2022 as the date on which the provisions of second and third proviso to clause (i) of section 80 of Companies (Amendment) Act, 2017 and section 56 of Companies (Amendment) Act, 2020 respectively shall come into force.**

    Please do refer relevant amendment acts for better clarity and understanding.

To read the notifications in detail, please click here and here respectively.

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SEBI UPDATES

1. SEBI issues Framework for operationalizing the Gold Exchange in India vide Circular dated January 10, 2022.

- SEBI Board in its meeting held on September 28, 2021 approved the framework for Gold Exchange and SEBI (Vault Managers) Regulations, 2021.

- Government of India vide Gazette notification S.O. 5401(E) dated December 24, 2021, has declared "electronic gold receipts" as 'securities' under Section 2(h)(iia) of the Securities Contracts (Regulation) Act 1956, and vide Gazette notification dated December 31, 2021, SEBI (Vault Managers) Regulations, 2021, have been notified, paving the way for operationalizing of Gold Exchange.

  The Features of the framework for the proposed Gold Exchange is below.

- The entire transaction has been divided into following three tranches:

  - First Tranche: Creation of EGR;
  - Second Tranche: Trading of EGR on stock exchange/s; and
  - Third Tranche: Conversion of EGR into Physical Gold.

- These regulations also provide for

  - Empanelment of assaying agencies;
  - Withdrawal Center; and
  - Fungibility and Inter-operability between the Vault Managers.

To read the Circular in detail, please click here.

2. SEBI vide a Press Release dated January 12, 2022 grants recognition to CDSL Ventures Limited as an Accreditation Agency.

- Amendments to SEBI (Alternative Investment Funds) Regulations, 2012, SEBI (Portfolio Managers) Regulations, 2020 and SEBI (Investment Advisers) Regulations, 2013 were notified on August 03, 2021to introduce framework for "Accredited Investors" in the Indian Securities Market.

- Pursuant to SEBI Circular dated August 26, 2021 on modalities for implementation of the framework for Accredited Investors, applications have been received from entities for recognition as Accreditation Agency.

- Post examination of their application, CDSL Ventures Limited (CVL), a wholly owned subsidiary of Central Depository Services(India) Limited (CDSL) has been granted recognition as an Accreditation Agency under Regulation 2(1)(aa) of SEBI (Alternative Investment Funds) Regulations, 2012 read with SEBI circular dated August 26, 2021,for a period of three years with effect from February 01, 2022

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

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JUDGEMENTS/ ORDERS

HIGH COURT

1. <u>**Sole Arbitrator was appointed by the Delhi High Court by allowing the petition filed by Lava International Limited.**</u>

Lava International Limited	Petitioner
M/s. Rally Infra Private Limited	Respondent

<u>Date of Judgement</u>: January 10, 2022

Lava International Limited, a limited company, claims to be engaged in the business of trading and manufacturing of mobile handsets and it has let out furniture, fixtures and assets lying in the premises of first floor and third floor B4, Sector 63, Noida, 201301 to the M/s. Rally Infra Private Limited. Both the parties to the present petition had entered into a License Agreement initially for 9 years and during this period dispute arose between the parties and the petitioner had issued a Notice to the respondent raising demand for clearance of outstanding dues and thereafter issued another notice invoking an arbitration in terms of Clause -28 of the Agreement.

Sole Arbitrator was appointed by the Court by allowing the petition for adjudication of disputes between the parties and the fee to the Arbitrator shall be governed by the Fourth Schedule of the Arbitration and Conciliation Act, 1996. The Court further directed the Arbitrator, who shall ensure compliance of Section 12 of Arbitration and Conciliation Act, 1996 before commencing the arbitration.

To read the Judgement in detail, please click here.

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SUPREME COURT

2. Aggrieved and dissatisfied by the judgement passed by the High Court of Punjab and Haryana at Chandigarh, Haryana Tourism Limited filed appeal against M/s Kandhari Beverages Limited

Haryana Tourism Limited	Appellant
M/s Kandhari Beverages Limited	Respondent

Date of Judgement: January 11, 2022

Haryana Tourism Limited, had invited tenders/quotations for the supply of Aerated Cold Drinks at its Tourist Complexes and the respondent, M/s Kandhari Beverages Limited had accepted and as per the agreement, the respondent-company was supposed to pay a sum of Rs. 20 lakhs on account of Brand Promotion which was required to be spent as per mutual agreement between the parties.

Dispute arose between the parties, where the Appellant had asked the respondent to deposit a sum of INR 19 Lakhs as sponsorship money to organize Mango Mela, wherein the respondent had already spent INR 13.92 Lakhs and both parties had agreed to hold musical nights in the Mango Mela.

Due to dispute the matter was referred to the Sole Arbitrator and the respondent filed counter claim and thereafter filed objection petition, wherein the Additional District Judge, Chandigarh under Section 34 of the Arbitration Act against the award passed by the arbitrator. Feeling aggrieved and dissatisfied with the challenged judgement passed by the High Court of Punjab and Haryana at Chandigarh.

Basis the appeals in the present case, the Supreme Court directed the impugned judgment and order passed by the High Court is hereby quashed and set aside. Further stated that, the award passed by the arbitrator and the order passed by the Additional District Judge under Section 34 of the Arbitration Act overruling the objections are hereby restored and accordingly the appeal was allowed.

To read the Judgement in detail, please click here.

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Call us toll free to explore a topic or let us answer your questions

About Swift

Swift India Corporate Services LLP ("Swift") (Formerly known as SwiftIndiaInc Corporate Services Private Limited) established in the year 2005, is an associate entity of Nishith Desai Associates — Legal & Tax Counseling Worldwide (legal and tax consulting firm).

We are a team of professionals with rich corporate, legal and secretarial backgrounds. We are a premier corporate compliance firm that caters to the needs and demands of our global clients. Swift aims to provide quick and pragmatic corporate solutions alongside high-quality compliances.

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