Swift India
CORPORATE SERVICES LLP

Swift e-Bulletin
Edition 48th 21-22
Week – March 07th to March 12th

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

"To improve is to change, to be perfect is to change often."

- Winston Churchil
(former PM of UK)

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 Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India **("SEBI")** and orders passed by the SEBI, Securities Appellate Tribunal ("SAT"), High Court and Supreme Court.

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

- MCA has introduced the Limited Liability Partnership (Second Amendment) Rules 2022 for the incorporation and compliance of Limited Liability Partnership (LLP).

- SEBI has amended the operational circular for issue and listing of Nonconvertible Securities, Securitized Debt Instruments, Security Receipts for ease of investment for investors.

We have prepared a comprehensive summary for quick reference of the aforesaid updates and Judgements / orders issued during the week of March 07, 2022 to March 12, 2022.

Thank you,
Swift team

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REGULATORY UPDATES

MCA

1. **The Ministry has introduced the Limited Liability Partnership Second Amendment Rules 2022 for the facilitation of compliance and incorporation of LLPs.**

- The Ministry of Corporate Affairs (MCA) vide its Notification dated March 04, 2022 has notified Limited Liability Partnership (Second Amendment) Rules, 2022 which shall come into force on the date of its publication in the Official Gazette.

- Few of the amendments are listed below:

  - Any individual who is required to be appointed as Designated partner does not have a DPIN or DIN, then application for allotment of DPIN shall be made in Form FiLLiP.
  - The Certificate of Incorporation of limited liability partnership issued by Registrar shall mention Permanent Account Number and Tax Deduction Account Number issued by the Income Tax Department.
  - In cases where Corporate Insolvency Resolution Process has been initiated against an LLP then the Statement of Account and Solvency may be signed by interim resolution professional or resolution professional, or liquidator or limited liability partnership administrator.
  - Where the Registrar finds it necessary to call further information, he shall direct the person or LLP to furnish such information or to re-submit such application or form or document in Form 32.

- In order to facilitate the compliance as per the above amended rules, the ministry has introduced new portal MCA-V3 for All the LLP e-filing services.

To read the Notification in detail, please click here.

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SEBI

1. **SEBI amends the operational circular for issue and listing of Non-convertible securities, Securitized Debt Instruments, security receipts, Municipal Debt securities and commercial paper for ease of investment for investors.**

- In order to bring about uniformity in the requirements and for ease of investment for investors, SEBI has decided to increase the limit for investment through UPI mechanism to INR 5,00,000 (INR Five lakhs) from the existing ceiling of INR 2,00,000 (INR Two lakhs).

- The said Circular, inter-alia, provides an option to investors to apply in public issues of debt securities with the facility to block funds through Unified Payments Interface (UPI) mechanism for application value up to INR 5,00,000 (INR Five lakhs).

- The Circular also deals with amendments that are being made to Chapters I & II of the Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, issued by SEBI which provides the procedures pertaining to issue and listing of Non-Convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper.

- The provisions of this circular shall be applicable to public issues of debt securities which open on or after May 1, 2022.

To read the order in detail, please click here.

2. **SEBI issues the circular Automating the disclosure requirements under SEBI (Substantial Acquisition of Shares and takeover) Regulations 2011.**

- The SEBI vide circular dated March 07, 2022 has implemented the automation of disclosure requirements for ease of doing business.

- SEBI amended SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "**Takeover Regulations**") vide Gazette Notification 46 dated August 13, 2021 doing away with manual filing for most of the transactions with effect from April 01, 2022.

- Thus, the transactions undertaken in the depository system under Regulation 29 and Regulation 31 of Takeover Regulations do not require manual filing except for the few transaction:

Few of the transactions requiring manual filing are:

- Triggering of disclosure requirement due to acquisition or disposal of the shares, as the case may be, by the acquirer together with persons acting in concert (PACs).

- Triggering of disclosure requirement in case the shares are held in physical form by the acquirer and/or PACs.

- Listed companies who have not provided PAN of promoter(s) including member(s) of the promoter group to the designated depository or companies which have not appointed any depository as their designated depository.

To read the circular in detail, please click here.

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JUDGEMENT/ORDERS

SEBI Order

1. **SEBI imposes penalty for dealings in illiquid stock options at BSE.**

- Securities and Exchange Board of India ("SEBI") observed a large scale reversal of trades in the stock options segment of Bombay Stock Exchange (herein referred to as BSE) leading to alleged creation of artificial volume in the stock options segment.

- In this regard, SEBI conducted an investigation into the trading activity in the illiquid Stock Options Segment at BSE for the period April 01, 2014 to September 30, 2015. During the course of investigation, it was observed that M/s. Shruti Bhalotia Beneficiary Trust (hereinafter referred to as "**Noticee**") was one of the various entities who indulged in the execution of alleged non-genuine trades in the Stock Options Segment at BSE during the above referred investigation period. It was observed that Noticee had entered into reversal trades with its counterparty which involved squaring off transaction with significant difference in sell value and buy value of the transaction.

- Therefore, it is alleged that Noticee had executed the reversal trades which were non-genuine in nature and have created false or misleading appearance of trading in terms of creation of artificial volume in the Stock Options segment at BSE and order was passed and penalty was imposed on M/s. Shruti Bhalotia Beneficiary Trust ***(Noticee).***

To read the order in detail, please click here.

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SAT Order

1. The Securities Appellate Tribunal (SAT) has passed an order declining to stay the observations of SEBI for non-disclosure of outcome of Annual General Meeting of the Company to stock exchanges.

- Securities and Exchange Board of India **("SEBI")** has passed an order in the matter of company DISHTV India Limited to disclose the results of voting at the Annual General Meeting (AGM) held on December 30, 2021 within the next 24 hours to the stock exchanges as required by the Company under SEBI (LODR) Regulations 2015.

- SEBI also ordered the Company DISHTV India Limited to freeze demat accounts of the directors and compliance officer of the company immediately until AGM voting results were disclosed to exchanges or till further orders, whichever was earlier.

- The company along with its directors filed an appeal with Securities Appellate Tribunal (SAT) for the order passed by SEBI on March 07,2022.

- Securities Appellate Tribunal **(SAT)** declined to stay the observations passed by SEBI against company DISHTV India Limited and ordered the Company to file its response by March 20, 2022 as ordered by SEBI on March 07, 2022.

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HIGH COURT

1. **Delhi Airport Metro Express files petition seeking execution/enforcement of the arbitral award against the Judgement Debtor**

Delhi Airport Metro Express Private Limited	**Decree Holder**
Delhi Metro Rail Corporation Limited	**Judgement Debtor**

Date of Judgement: March 10, 2022

- Delhi Airport Metro Express Private Limited has filed the present petition under Section 36 of the Arbitration and Conciliation Act, 1996, seeking execution/enforcement of the arbitral award.

- The Division Bench of the Delhi High Court had partly allowed the appeal preferred by the Judgement Debtor, who had challenged the arbitral award under the provisions of Section 34 of the Act, which was dismissed against the Judgement Debtor. A review petition was filed by the Judgement Debtor against the judgement which stood dismissed by the Hon'ble Supreme Court. Hence, the present petition is being filed by the Decree Holder for execution of award passed by the learned arbitral tribunal.

- The present petition and pending applications are accordingly disposed of, basis the findings made by Delhi High Court that the present execution petition has been filed by the decree holder against the judgment debtor for execution of arbitral award. Further, it was informed that, without going into the depth of claims raised by the applicants, the Delhi High Court finds that for any outstanding dues payable by the decree holder to these applicants, separate proceedings are required to be initiated and applicants cannot be permitted to settle their scores in the present petition.

To read the Judgement in detail, please click here.

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SUPREME COURT

1. **Urban Infrastructure Real Estate Fund files petition to punish the respondents under the Contempt of Courts Act, 1971 for wilful disobedience of the order passed by Supreme Court in Special Leave Petition.**

Urban Infrastructure Real Estate Fund	Petitioner(s)
Dharmesh S. Jain and Anr.	Respondents

Date of Judgement: March 10, 2022

- Urban Infrastructure Real Estate Fund, being the petitioner in the present case, is the Award Creditor in whose favour there is an award passed by the learned Arbitrator to punish the respondents under the Contempt of Courts Act, 1971 for wilful disobedience of the order passed by Supreme Court in Special Leave Petition.

- The respondent had preferred Commercial Arbitration Petition before the High Court under Section 34 of the Arbitration and Conciliation Act, 1996, challenging the award passed by the learned Arbitrator.

- The Supreme Court was of the firm view that the respondents have willfully disobeyed the order passed by the High Court in Notice of Motion in Commercial Arbitration Petition and have willfully disobeyed the order passed by this Court in Miscellaneous Application in Special Leave Petition and thereby the respondents are guilty of civil contempt and have rendered themselves liable for suitable punishment under the provisions of Contempt of Courts Act. The respondents were hereby held guilty for the contempt of Court for wilful disobedience of the order passed by the High Court in Commercial Arbitration Petition and specifically for disobedience of the order passed by Supreme Court in Miscellaneous Application in Special Leave Petition and are held liable to be punished suitably under the provisions of the Contempt of Courts Act, and it was stated that the respondents shall be heard on sentence.

To read the Judgement in detail, please click here.

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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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