Swift India
CORPORATE SERVICES LLP

Swift e-Bulletin
Edition 8^{th} 22-23
Week – May 23^{rd} to May 27^{th}

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

"Never give up on a dream just because of the time it will take to accomplish it. The time will pass anyway."

—Earl Nightingale

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**") and orders passed by the NCLAT, SEBI, High Court and Supreme Court.

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

- **SEBI issues Circular on simplification of procedure and standardization of formats of documents for issuance of duplicate securities certificates.**
- **MCA issues Circular granting relaxation on paying additional fees in case of delay in filing of Form 11 (Annual Return) by Limited Liability Partnership.**

We have prepared a comprehensive summary for quick reference of the aforesaid updates and Judgements / orders issued during the week of May 23, 2022 to May 27, 2022.

Thank you,
Swift team

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REGULATORY UPDATES

MCA

1. **MCA issues Circular granting relaxation on paying additional fees in case of delay in filing of Form 11 (Annual Return) by Limited Liability Partnership.**

- The Ministry has received representations seeking extension on timelines for filing of Form 11 (Annual Return) of Limited Liability Partnerships without additional fees.

- In view to promote compliance by the Limited Liability Partnership, MCA vide General Circular dated 27th May 2022 (General Circular No. 04/2022) granted the relaxation from paying of additional fees in case of delay in filing of Form 11 (Annual Return) by Limited Liability Partnerships **up till June 30, 2022**.

- To read the General Circular in detail , please click here

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SEBI

1. **SEBI issues Circular on simplification of procedure and standardization of formats of documents for issuance of duplicate securities certificates.**

- SEBI vide Circular dated May 25, 2022 has issued simplified procedure and standardization of formats of documents for issuance of duplicate securities certificates.

- SEBI has reviewed the process followed by the Registrars to an Issue and Share Transfer Agents ("RTAs") and the Issuer companies for issuance of duplicate securities certificates.

- Based on the feedback from investors and recent regulatory changes and with a view to make issuance of duplicate securities certificates more efficient and investor friendly, the procedure and documentation requirements for issuance of duplicate securities certificate has been further simplified by SEBI.

- The documentation requirements for issuance of duplicate securities certificate are as below: -

  - Submission by the security holder a copy of FIR including e-FIR/police compliant/court injunction order/ copy of plaint (where the suit filed has been accepted by the court and suit No. has given) necessarily having details of securities, folio number, distinctive number range and certificate number.

  - Issuance of advertisement regarding loss of securities in a widely circulated Newspaper

  - Submission of Affidavit and Indemnity bond.

- There shall be no requirement of submission of surety for issuance of duplicate securities certificate and there is no requirement to comply with if the value of securities as on the date of submission of application, along with complete documentation as prescribed by the Board does not exceed INR. 5 Lakh.

- An Overseas securities holder, shall be permitted to provide self-declaration of the security certificates lost/misplaced/stolen which shall be duly notarized/ apostilled /attested by the Indian Consulate / Embassy in their country of residence, along with self-attested copies of valid passport and overseas address proof in lieu of other documents required.

- The Circular has also provided the formats for documents below required to be submitted by security holder while requesting for issuance of duplicate securities certificate.

    - Form A Affidavit for issuance of duplicate securities
    - Form B Indemnity for issuance of duplicate securities
    - Form C Format of Letter of Confirmation
    - Investor Service Request Form – 4 (ISR 4)

To read the Circular in detail , please click here

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JUDGEMENTS AND ORDERS

SEBI Order

1. **In the matter of Tirupati Fincorp Ltd. The SEBI imposed penalty of INR. 5 Lakh on Noticee for violation of Listing Agreement read with the LODR Regulations.**

- Securities and Exchange Board of India ("**SEBI**") initiated adjudication proceedings against Tirupati Fincorp Ltd. ("**Noticee**") for alleged violation of the Regulation of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 (hereinafter referred as '**PFUTP Regulations**') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("LODR Regulations")** in the aforesaid matter.

- In this regard, SEBI passed an order imposing penalty of INR. 5 Lakh. The AO alleged that during the investigation period between January 05, 2013 to December 24, 2015 ("**IP**") there was misutilization of funds raised by Noticee through preferential allotment of equity shares made.

- SEBI further alleged that the Noticee has violated Clause 43 of Listing Agreement read with Regulation 32 of LODR Regulations and necessary material information was not disclosed to exchanges as per Regulation 30 of SEBI LODR Regulations.

- Since the violations alleged against the Noticee was clearly established during the Investigation period, AO passed an order by imposing monetary penalty of INR. 5 Lakh on Noticee for abovementioned violations on Listing agreement and LODR Regulations.

  To read the Order in detail, please click here.

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NCLAT

1. **NCLAT dispose of the appeal in the matter of Aegis Educational Society Versus Ravi Kapoor, Resolution Professional.**

An appeal was filed by Aegis Educational Society challenging the order passed by the Adjudicating Authority (National Company Law Tribunal), Indore Bench, dated 25.03.2022 by which order, leave to proceed before a proper forum filed by Liquidator was granted. Aggrieved against the said order, the Appellant had come up in this Appeal stating that the order was passed without granting any time to the Appellant to file a reply which may prejudice the Appellant in subsequent proceedings undertaken by the Liquidator.

Basis the detailed facts of the case, NCLAT is of the opinion that the order of Adjudicating Authority did not express any opinion on merits of the claim of either of the parties. Hence, the apprehension of the Appellant in the appeal was without any basis. Accordingly, the appeal was disposed of by the Appellant Authority.

To read the Order in detail, please click here.

HIGH COURT

1. Mehra Jewel Palace files application seeking a summary judgement for the rental amount along with litigation and future interest.

Mehra Jewel Palace Private Limited	Plaintiff
Miniso Life Style Private Limited	Defendant

Under Order XIII-A of the Code of Civil Procedure, 1908 (CPC), Mehra Jewel Palace Private Limited, being the Plaintiff in the present case, had filed the present application, as applicable to commercial suits, seeking a summary judgement in favour of the plaintiff for the amount of sum along with pendente lite and future interest.

The Plaintiff being the owner of the property bearing No.C-11, Connaught Place, New Delhi–110001, who had entered into a tripartite lease deed as a Lessor along with defendant Keikaku India Private Limited, being the Lessee, for running a commercial business in the demised premises. The said Lease Deed was registered for a term of nine years with a monthly rent of INR 27 Lakh, and the defendant was liable to pay the statutory tax, being the Goods and Service Tax applicable on the monthly rent amount.

The defendants had deposited a sum of INR.1,08,00,000/- with the plaintiff towards Interest Free Refundable Security Deposit as per Clause 7 of the Lease Deed. However, the plaintiff was informed of Keikaku India Private Limited withdrawing from CS(COMM) 376/2020 Page 3 of 32 the Lease Deed, and thereafter, a new franchisee of the defendant, who was agreed to be bound by the terms and conditions of the Lease Deed.

on account of the COVID-19 pandemic and requested the plaintiff to consider waiving off its obligation to pay rent, the earlier defendant sent an email to the plaintiff informing the plaintiff of the closure of the demised premises and thereafter a notice of suspension of rent to the plaintiff, invoking the force majeure clause under the registered Lease Deed and asked for waiver of payment of rental dues till the time the demised premises became operational. Accordingly, rent was not paid by the defendants for the months of April 2020 and May 2020.

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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