

Info Capsule

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❖ Latest @ ICSI

Feedback on Company Forms in MCA21-V3 Portal

As you are aware, the Ministry of Corporate Affairs w.e.f. August 31, 2022 migrated filing of 9 Company Forms from MCA 21 V2 to V3 Portal.

The Ministry of Corporate Affairs w.e.f. January 23, 2023, has launched second set of Company Forms covering 56 forms on MCA21-V3 Portal for filing purposes. The list of all 56 Company Forms is available on MCA website.

The Institute of Company Secretaries of India, in its attempt to further facilitate the stakeholders and ensure smooth transition and implementation, is sharing your feedback to the Ministry of Corporate Affairs (MCA) on regular basis. Such feedback is constantly and closely monitored by MCA at all levels for timely resolution.

We request you to share your inputs/issues/suggestions on filing of Company Forms in MCA V3 at the link given below:

<https://forms.gle/m5NGoCbt4TibuD196>

We thank you for your continued support and hope for association in the future as well.

❖ Securities Laws and Capital Market

Framework for Adoption of Cloud Services by SEBI Regulated Entities (REs) (March 06, 2023)

SEBI vide its Circular SEBI/HO/ITD/ITD_VAPT/P/CIR/2023/033 dated March 06, 2023 issued Framework for Adoption of Cloud Services by SEBI Regulated Entities (REs). According to the Circular In recent times, the dependence on cloud computing for delivering the IT services is increasing. While cloud computing offers multiple advantages viz. ready to scale, ease of deployment, no overhead of maintaining physical infrastructure etc., the RE should also be aware of the new cyber security risks and challenges which cloud computing introduces. In view of the above, this cloud framework has been drafted to provide baseline standards of security and for the legal and regulatory compliances by the RE. The framework shall be seen as an addition to already existing SEBI circulars /guidelines /advisories.

The major purpose of this framework is to highlight the key risks, and mandatory control measures which REs need to put in place before adopting cloud computing. The document also sets out the regulatory and legal compliances by REs if they adopt such solutions.

The framework shall be applicable to the following REs:
i. Stock Exchanges ii. Clearing Corporations iii. Depositories iv. Stock Brokers through Exchanges v. Depository Participants through Depositories vi. Asset Management Companies (AMCs)/ Mutual Funds (MFs) vii. Qualified Registrars to an Issue and Share Transfer Agents viii. KYC Registration Agencies (KRAs).

For details:

https://www.sebi.gov.in/legal/circulars/mar-2023/framework-for-adoption-of-cloud-services-by-sebi-regulated-entities-res_68740.html

❖ **Business & Economics News**

A billion transactions a day can be processed through UPI: RBI governor (March 06, 2023)

The Unified Payments Interface (UPI), India's flagship digital payments platform, has the bandwidth to process one billion transactions a day, Reserve Bank of India (RBI) Governor Shaktikanta Das said on Monday while launching the mission "Har Payment Digital". The objective of the mission, as part of Digital Payments Awareness Week (DPAW) 2023, is to make every citizen in the country opt for digital payments.

Das said he expected more countries to join India in linking their payments on a real-time basis, like the one with Singapore's PayNow, which started last month. "Currently the number of transactions done through UPI is 26 crore (260 million) per day. The system has the capacity to handle 100 crore (one billion) transactions per day. So the system is geared to onboard new customers into the UPI platform," Das said.

On March 1, there were 300 million transactions through the UPI. "NPCI (National Payments Corporation of India) is operating the UPI in three parallel systems — they not only act as disaster recovery facilities for each other but are running parallel. In the unlikely event of some problems in one system, the other systems are very much in operation," Das said, alluding to the capacity of the UPI in terms of handling transactions.

For details:

https://www.business-standard.com/article/finance/upi-can-process-a-billion-transactions-a-day-says-rbi-governor-123030600789_1.html

❖ **Insolvency and Bankruptcy**

Jaypee Infra insolvency: NCLT may pass judgement Tuesday on Suraksha bid (March 06, 2023)

The National Company Law Tribunal (NCLT) is scheduled to pass its judgement on March 07, 2023 on Mumbai-based Suraksha group's bid to acquire Jaypee Infratech Ltd through the insolvency process. In late November last year, the NCLT reserved its order on Suraksha group's bid to acquire Jaypee Infratech Ltd and complete around 20,000 flats for aggrieved homebuyers.

In June 2021, the Suraksha group received the approval of financial creditors and homebuyers to takeover the Jaypee Infratech Ltd, raising hopes for 20,000 homebuyers of getting possession of their dream flats in stalled projects, mainly in Noida and Greater Noida.

For details:

https://economictimes.indiatimes.com/news/company/corporate-trends/jaypee-infra-insolvency-nclt-may-pass-judgement-tuesday-on-suraksha-bid/articleshow/98459526.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

❖ **Pronouncement**

| | | |
|------------|---|--|
| 22/02/2023 | <i>Shri Guru Containers (Appellant) vs. Jitendra Palande (Respondent)</i> | <i>National Company Law Appellate Tribunal, Mumbai Bench Company Appeal (AT) (Insolvency) No.106 of 2023</i> |
|------------|---|--|

Shifting the entire blame on the IRP on grounds of non-performance of duty and making him the scapegoat does not appear to be justified. It is equally important for the creditors to play a catalytic role in the insolvency resolution process given the present regime of creditor-driven IBC.

Hon'ble National Company Law Appellate Tribunal (NCLAT) inter alia observed that though the scope of CIRP related work became limited and restricted by the fact that progress got stonewalled due to lack of flow of information and lack of claims, diligence on the part of the IRP in proceeding with the CIRP cannot be found to be wanting. Shifting the entire blame on the IRP on grounds of non-performance of duty and making him the scapegoat does not appear to be justified. It is equally important for the creditors to play a catalytic role in the insolvency resolution process given the present regime of creditor-driven IBC. The rigours of similar standards of discipline should also apply on the creditors. This is clearly a case where the CIRP process was being hindered due to want of cooperation and participation from the creditors. The conduct of the Operational Creditor in the present case is deprecatory in that once the CIRP process had commenced, the Operational Creditor went into a sleeping mode. This position has been further aggravated by the fact that it was the Appellant/Operational Creditor who had triggered this judicial process and then abdicated himself from all responsibilities. That the Operational Creditor did not seem interested in resolution of the Corporate Debtor is evident from the fact that till date no claim has been filed with the IRP.

Further, NCLAT are of the considered view that Section 217 of the IBC empowers any person aggrieved by the functioning of a Resolution Professional to file a complaint before the IBBI. The Operational Creditor was at liberty to report any dereliction of duty on the part of the IRP and that not having been done, the denial to pay fees and expenses is not acceptable. In the present case, we do not find that the Appellant has at any stage made any complaint that the IRP had contravened the provisions of the IBC or the Rules framed thereunder or complained about the errant conduct of the IRP. The Operational Creditor has failed to substantiate any lapses or deficiency in the performance of duties by the IRP. It is an admitted fact that CoC could not be constituted by the IRP but that does not seem to be on account of any inefficiency or laxity or leniency on the part of the IRP. We are thus of the considered view that the IRP was entitled in this case to claim his fees/expenses incurred on CIRP and needs to be compensated for his professional services.

❖ **Labour Law**

Job gap shows much worse situation for women, says ILO report (March 06, 2023)

A noticeably higher proportion of women than men would like to work but don't have a job, a global disparity that has barely budged in a new index dating back in 2005. A new indicator developed by the International Labour Organization (ILO), the Jobs Gap, captures all persons without employment that are interested in finding a job. It paints a much bleaker picture of the situation of women in the world of work than the more commonly used unemployment rate. The new data shows that women still have a much harder time finding a job than men. The so-called gender gap revealed by the gauge shows 15 per cent of female working-age would-be employees in that category, compared with 10.5 per cent for their male counterparts, according to a report by the ILO published on Monday.

For details:

https://www.business-standard.com/article/international/job-gap-shows-much-worse-situation-for-women-says-ilo-report-123030601177_1.html

❖ **Terminology for Today**

Sustainability risks

Risks to the value of an asset occasioned by environmental, social, and/or governance issues. For example, the price of an equity declining due to fines levelled against the issuer for environmental damages.

❖ **Market Watch**

Foreign Exchange Rates as on 06.03.2023

(<https://www.geojit.com/currency-futures>)

| INR / 1 USD | INR / 1 EUR | INR / 1 GBP | INR / 1 JPY |
|-------------|-------------|-------------|-------------|
| 81.71 | 86.88 | 98.39 | 0.60 |

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu.

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