Prospective application of increased threshold limit - NCLT Notification

A notification was issued in the month of March amending the minimum threshold of default under the Insolvency and Bankruptcy Code, 2016 (“IBC”) for initiation of insolvency proceedings under IBC to INR 1 Crore.

The National Company Law Tribunal (NCLT), Kochi Bench while dealing the case of M/s Tharakan Web Innovations Private Limited vs. Cyriac Njavally, has clarified that the March 2020 notification was issued as a relief measure to protect the corporate debtors from the adverse impact caused on the business due to the Covid-19 outbreak. The Bench has rejected the argument placed by the corporate debtor and consistently held that the notification can only be applied prospectively and the threshold of 1 crore rupees would only apply to defaults which have occurred after 25th March 2020. Read More

Operational guidelines for Transfer and Dematerialization of re-lodged physical shares

a) Guidelines to credit the transferred physical shares in demat mode b) For shares that are required to be locked-in, the RTA has to incorporate the depository about the lock-in and its period while approving the demat request. Such shares will be in lock-in demat mode for 6 months from the date of registration of transfer. c) If the investor does not receive the demat request within 90 days of date of letter of confirmation, the shares will be credited to the suspense demat account of the company; Read More

RBI permits banks to open specific accounts without any restrictions

RBI permits banks to open specific accounts which are stipulated under various statutes and instructions of other regulators/ regulatory departments, without any restrictions placed in terms of circular dated August 6, 2020. An indicative list of such accounts is as given below:

1. Accounts for real estate projects mandated under Section 4 (2) 1(D) of the Real Estate (Regulation and Development) Act, 2016 for the purpose of maintaining 70% of advance payments collected from the home buyers.
2. Nodal or escrow accounts of payment aggregators/prepaid payment instrument issuers for specific activities as permitted by Department of Payments and Settlement Systems (DPSS), Reserve Bank of India under Payment and Settlement Systems Act, 2007.

17 more provisions of Companies (Amendment) Act, 2020 to come into force w.e.f. 21.12.2020

The amendment included (1) Decriminalization of offences in case of defaults which can be determined objectively and which otherwise lack any element of fraud or do not involve larger public interest; (2) Empowerment of Central Government to de-list certain class of companies, in consultation with SEBI primarily for listing of debt securities; (3) Incorporation of a new Chapter XXIA in the 2013 Act to govern Producer Companies (earlier governed by the 1956 Act; (4) Setting up of new NCLAT Benches. Read More

RBI has decided to grant authorisations to all PSOs

Currently, RBI grants authorisation to new entities desirous of operating a payment system for specified periods up to five years. Similar approach is adopted for renewal of validity of authorisation to existing entities. To reduce licensing uncertainties and enable PSOs to focus on their business as also to optimise utilisation of regulatory resources, it has been decided to, hereafter, grant authorisation for all PSOs (both new and existing) on a perpetual basis, subject to the usual conditions. Read More

“Introduction of Cooling Period” Authorisation Of entities for operating a Payment System under the Payment and Settlement Systems Act, 2007 (“PSS Act”)

To inculcate discipline and encourage submission of applications by serious players as also for effective utilisation of regulatory resources, it has been decided to introduce the concept of Cooling Period in the following situations –

1. Authorised Payment System Operators (PSOs) whose Certificate of Authorisation (CoA) is revoked or not-renewed for any reason; or
2. CoA is voluntarily surrendered for any reason; or
3. Application for authorisation of a payment system has been rejected by RBI.

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MAHESHWARI AND CO. is a full service Law Firm that represents its clients in a number of complex and high value transactions. The Firm has an expertise and vast experience across various areas of practise including Corporate & Commercial Law, mergers & acquisitions, intellectual property rights, taxation, Litigation and Arbitration, Insolvency & Bankruptcy and Immigration. The Firm has done extensive work in sectors which includes Automotive, F&B, Pharmaceuticals and Healthcare, Start-ups, e-commerce, Banking and Finance, Infrastructure, Real Estate, Information Technology, Power and Telecom.

ARTICLE

A well-thought and thorough reached article on “Formulation of laws regulating the Fintech Laws and Cryptocurrency” by one of our Senior Associates Konark Rishi Bhatnagar. Read More

ANNOUNCEMENT

We are excited to share with you that “Ramayana Revisited: An Epic Through a Legal Prism” has received a great response. Our Managing Partner Mr. Vipul Maheshwari being the author has made an attempt, unexplored so far, narrated in Ramayana through the legal prism of the Indian Penal Code, each chapter comprises a prosecution version, Citations, deposition of witnesses and the defence arguments.

Get your copies of the book today at Amazon and share your reviews for the book!
Accounts for the purpose of IPO / NFO / FPO / share buyback / dividend payment / issuance of commercial papers / allotment of debentures / gratuity, etc. which are mandated by respective statutes or regulators and are meant for specific / limited transactions only. Read More.

New entities that are set-up by promoters involved in any of the above categories; definition of promoters for the purpose, shall be as defined in the Companies Act, 2013. Read More.

Notification pertaining to Minimum Wages

Delhi Government vide order dated December 7, 2020 has provided the revised minimum rate of wages after the adjustment of the average All India Consumer Price Index Number from July 2019 to December 2019 and from January 2020 to June 2020, which shall be payable for all categories with effect from April 1, 2020 and October 1, 2020, respectively. Read More

Government of Kerala vide notification dated December 21, 2020 revised the minimum rates of wages payable to the employees employed in shops and commercial establishments in the State of Kerala as specified in the Schedule I of the notification and also the minimum rates of wages payable to the employees employed in courier services, centres, internet cafes, telephone booth, catering services, and house boat service as specified in the Schedule II of the notification.

Competition Commission of India removes Non-Compete disclosure requirement in merger filings.

A press release dated December 01, 2020, the Competition Commission of India ("CCI") has decided to dispense with certain disclosure requirements in the combination notices. Parties to combination will not be required to give any separate details regarding their non-compete restrictions, in the combination notices. In this regard, CCI has omitted item 5.7 of Form I of Schedule II to the Combination Regulations. The amended regulations came into effect on November 26, 2020. Read More

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Thank you for reading!

We will be back in your inbox next month with more updates. Till then, stay safe and follow us on LinkedIn and Facebook to get regular updates.

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