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SECURITIES AND EXCHANGE BOARD OF INDIA

Amendment to the SEBI Circular No. CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 on Know Your Client Requirements for the Foreign Portfolio Investors

Securities and Exchange Board of India ("SEBI") had issued a Circular No. CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 on Know Your Client Requirements ("KYC") for Foreign Portfolio Investor ("FPIs") to strengthen KYC for the FPIs which provided the existing FPIs with a six months' timeframe for complying with the requirements provided in the aforementioned circular.

Since then, SEBI received representations pertaining to additional time to comply with the aforementioned requirements of the circular and thus, for which, a working committee has been formed by the Reserve Bank of India ("RBI").

In the meantime, SEBI issued another circular dated August 21, 2018 vide Circular No. IMD/FPIC/CIR/P/2018/124 ("**Amendment Circular**") amending the given timeframe up to December 31, 2018 and whereas, all other terms and conditions are to remain unchanged.

Amendment in the Streamlining Process of Public Issue

Securities and Exchange Board of India (“SEBI”) issued a circular dated August 16, 2018 vide its *Circular No. CIR/DDHS/P/121/2018* in matters pertaining to streamlining the process of public issue under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (“SEBI ILDS”), SEBI (Issue and Listing of Non-convertible Redeemable Preference Shares) Regulations, 2013 (“SEBI NCRPS”), SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations, 2008 (“SEBI SDI”) and SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 (“SEBI ILDM”).

Amendments have been made in the abovementioned Regulations to make the existing process of issuance of debt securities, Non-Convertible Redeemable Preference Shares (“NCRPS”) and Securitized Debt Instruments (“SDI”) easier, simpler and cost effective for both issuers and investors, and thus, reduced the time taken for listing after the closure of the issue to six (6) working days instead of twelve (12) working days.

The modified process of submitting the application form ensures reduction in chances of any unscrupulous transactions. Further, to provide counterfoil receipt, it is mirrored with obligation on the part of the party receiving the application or the payment. In case of receipt by the self-certified syndicate banks, the self-certified syndicate banks are required to upload of the information in the electronic bidding system as provided for by the stock exchange(s) and that only the specified amount is blocked. Further, the concerned stock exchange may request for re-submissions after validating it if the information is not provided correctly.

Further details have been provided in the link reproduced below-

Amendments in Streamlining Process of Public Issue.

MahaRERA

Mr. Mudhit Gupta Versus Lavasa Corporation Limited

Hon'ble Maharashtra Real Estate Regulatory Authority ("**MahaRERA**") has pronounced its Order dated August 29, 2018 in the matter of Mr. Mudhit Gupta ("**Complainant**") Versus Lavasa Corporation Limited ("**Respondent**"). The Respondent are a subsidiary of Hindustan Construction Company ("**HCC**").

1. Background

The Complainant had filed complaint against Respondent under section 18 Real Estate (Regulation and Development) Act, 2016 ("**Act**") for seeking refund and compensation for failing to deliver the apartment booked by the Complainant, the Respondent had taken a stand that it failed to complete the project owing to status-quo order on the construction by the Ministry of Environment and Forest ("**MoEF Order**") and therefore facing difficulties to meet the liabilities to complete the project due to swelling financial obligations. The Respondent had made submissions that the complaint should be dismissed as the agreement between the parties was governed by force majeure and prior to the commencement of the Act.

2. Supreme Court Ruling

The Hon'ble MahaRERA firstly held that despite the agreement between the parties was prior to the commencement of the Act it can be still termed as "ongoing project" as per section 3 of the Act. The Hon'ble MahaRERA further held that "force majeure" clause can be made applicable only when the entire situation is beyond the control and hence the stand taken by the

Respondent cannot be considered as within the scope of the alleged clause of “force majeure”.

NATIONAL COMMISSION LAW APPELLATE TRIBUNAL

Mr. Vijay Kumar Jain versus Resolution Professional & Another

Hon'ble National Commission Law Appellate Tribunal ("**NCLT**") has pronounced its *Order dated September 1, 2018* in the matter of Mr. Vijay Kumar Jain ("**Applicant**") Vs Resolution Professional & Another ("**Respondents**") Vs Standard Chartered Bank & Another ("**Petitioners**") Vs Ruchi Soya Industries Limited ("**Corporate Debtor**").

1. Background

It is a Miscellaneous Application taken out by the Applicant seeking an order setting aside the March 28, 2018 decision taken by the committee of Creditors ("**CoC**"), which laid down that the representatives of the Corporate Debtor would be disallowed in the CoC meeting, the Applicant being one of them; further, direct the Resolution Professional to ensure active participation of the Applicant in the CoC meetings and further to set aside the Corporate Insolvency Resolution Process ("**CIRP**") and meeting of CoC which has been conducted without the applicant's participation.

The Applicant sent a mail to the Resolution Professional ("**RP**") dated May 26, 2018 asking for the documents that transpired in the Second CoC to which he was refused entry to. Subsequently, he was also refused entry to the next meeting as well to which he again wrote an email to the RP dated May 29, 2018 stating that the disallowance to enter the meeting are in violation of the Applicant's Statutory Rights.

After hearing this matter, NCLT passed an interim Order stating that the

Applicant is at a liberty to attend the CoC meetings and also place his views.

2. NCLT's Ruling

The abovementioned application was disposed of favouring the Respondents. The interim order that allowed the suspended director to attend the meetings was followed through but the Hon'ble bench ruled that the Applicant does not have the right to insist upon the confidential information as considered by the CoC or the RP.

This ruling has been reproduced below:

"This Application is hereby disposed of giving liberty to this applicant to attend the COC meetings but not to insist upon the COC or the Resolution Professional to provide information which is considered as confidential by the Resolution Professional or the COC."

3. Analysis of the Ruling

The ruling passed by the NCLT enables the RPs and the CoC to complete the whole process in time and additionally, the confidential matter should be kept to itself to maximise the valuation of the assets of the company. The apprehension of the CoC and RP regarding the interest of the creditors.

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Warm Regards,

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