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THE SPOTLIGHT

NEWSLETTER | APRIL 2023

Ministry of Corporate Affairs

Companies (Indian Accounting Standards) Amendment Rules, 2023 – March 31, 2023

The Ministry of Corporate Affairs (MCA), in consultation with the National Financial Reporting Authority, has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 on March 31, 2023. These rules have come into effect from April 1, 2023. The amended rules introduce a new provision - 'deferred tax related to assets and liabilities arising from a single transaction' - which entities must apply for annual reporting periods starting on or after April 1, 2023. Additionally, a new paragraph B14 has been added that covers 'deferred tax related to leases and decommissioning, restoration, and similar liabilities'. To access the notification, [click here](#).

Securities and Exchange Board of India

Operational Guidance - Amendment to SEBI (Buy-back of Securities) Regulations, 2018 – March 8, 2023

The Securities and Exchange Board of India (SEBI) has notified SEBI (Buy-Back of Securities) (Amendment) Regulations, 2023 on February 07, 2023. These amendment regulations have come into force on the 30th day of the date of notification. Accordingly, the amendment regulations will be made effective for all buy-back offers where the Board of Directors of the company approve resolution with respect to Buy-back on or after 30th day of the date of notification of this amendment in the official gazette (i.e., March 09, 2023). To access the circular, [click here](#).

Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2023 – March 15, 2023

SEBI has amended the SEBI (Foreign Portfolio Investors) Regulations, 2019 (FPI Regulations) by notifying the SEBI (Foreign Portfolio Investors) (Amendment) Regulations, 2023 ("Amendment Regulations"). The Amendment Regulations, which became effective on March 15, 2023, have made several changes to FPI Regulations, one of which is reducing the reporting timeline for FPIs to report material changes within seven working days. To access the notification, [click here](#).

Streamlining the onboarding process of FPIs – March 27, 2023

SEBI released a circular on March 27, 2023, that outlines certain changes to the "Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors" that was issued on December 19, 2022. The objective of these changes is to ease the onboarding process of FPIs and reduce the time taken for granting registration and opening of demat, trading and bank accounts of FPIs. Some of the modifications are as follows:

- a. Grant of FPI registration on the basis of scanned copies of application forms is allowed but the trading activity can only commence after the physical documents have been verified.
- b. FPIs may use digital signatures for the purpose of execution of Common Application Form (CAF) and other registration related documents.
- c. SEBI has allowed authorized bank officials to send the copies of original documents to the DDP digitally and certify the authenticity of these documents through the SWIFT mechanism as an alternative to physical attestation of documents submitted by FPI (Foreign Portfolio Investor) applicants.
- d. SEBI has authorized the verification of PAN (Permanent Account Number) by DDPs (Depository Participants) through the CAF module, which can be accessed on the websites of the depositories.
- e. For operational convenience, it is now specified that in case an FPI applicant belongs to an existing FPI investor group, it may submit its unique FPI investor group ID in the CAF, in lieu of providing complete details of all group constituents. In case the applicant wants to club additional FPIs (apart from itself) in such unique investor group ID, the FPI may only provide details of such additional FPIs, along with the investor group ID. To access the circular, [click here](#).

SEBI Board Meeting – March 29, 2023

The Securities and Exchange board of India (SEBI) on March 29, 2023, has approved several proposals, including discontinuing the practice of individuals holding permanent directorship at boards of listed companies and the implementation of a framework to prevent frauds by stockbrokers. Additionally, the regulator has approved a regulatory framework which would enable private equity funds to become sponsor of mutual funds, thereby expanding the mutual fund industry. Furthermore, the regulator has approved norms requiring listed companies to make Environmental, Social, and Governance (ESG) disclosures. To access the update, [click here](#).

Press Information Bureau

20 Additional Judges as appointed as Permanent Judges of High Courts – March 3, 2023

The President of India, after consulting with the Chief Justice of India, has appointed 20 Additional Judges as Permanent Judges of various High Courts. To access the names of the newly appointed judges and corresponding High Court [click here](#).

Centre releases guidelines for celebrities, influencers, and virtual influencers on social media platform – March 6, 2023

The Department of Consumer Affairs, under the Ministry of Consumer Affairs, Food and Public Distribution, has released a set of guidelines called "Endorsements Know-hows!" for celebrities, influencers, and virtual influencers on social media platforms. The guidelines aim to ensure that individuals do not mislead their audiences when endorsing products or services and that they comply with the Consumer Protection Act and any associated rules or guidelines. The guidelines state that endorsements must be made in simple, clear language, and terms such as "advertisement," "sponsored,"

“collaboration,” or “paid promotion” can be used. Individuals must not endorse any product or service that they have not personally used or experienced or for which they have not done their due diligence. To access the update, [click here](#).

Minister of State for Labour and Employment, Shri Rameswar Teli, in a written reply to a question in Lok Sabha have clarified several aspects of the Code on Social Security, 2020 and Code on Wages, 2019, discussed below:

a. Code on Social Security, 2020 envisages social security benefits for gig and platform workers – March 20, 2023

For the first time, the definition of “gig worker” and “platform worker” has been provided in the Code on Social Security, 2020 (the code). The Code envisages social security benefits through formulation of schemes for gig and platform workers and can be implemented through Employees’ Provident Fund Organisation (EPFO) and Employees’ State Insurance Corporation (ESIC) which hitherto provides social security benefits to organized sector workers. The Code also provides for framing of suitable social security schemes for gig workers and platform workers on matters relating to life and disability cover, accident insurance, health and maternity benefits, old age protection, etc. The Code also provides for setting up a Social Security Fund and one of the sources of fund, is contribution from aggregator between 1 to 2% of annual turnover of an aggregator subject to the limit of 5% of the amount paid or payable by an aggregator to such workers. To access the update, [click here](#).

b. Code on Wages, 2019 makes minimum wages universally applicable across employments – March 20, 2023

The Code on Wages, 2019 has made minimum wages applicable across all employments. The provisions of the Minimum Wages Act, 1948, have been rationalized and subsumed under the Code on Wages, 2019 and the components of minimum wages stipulated therein also provide for cost-of-living allowance. Further, the Code makes minimum wages universally applicable across employments and thus moves ahead from restrictive applicability of minimum wages limited to scheduled employments as provided for under the Minimum Wages Act, 1948. To access the update, [click here](#).

c. Code on Wages, 2019 stipulates government to review minimum rates of wages at an interval not exceeding five years – March 23, 2023

The Code on Wages Act, 2019 stipulates that the government must review minimum rates of wages at an interval not exceeding five years. An Expert Group on fixation of Minimum Wages and National Floor Wages has been constituted by the Government of India in 2021 to provide technical inputs and recommendations on fixation of minimum wages and national floor wages to the Government. The terms of reference of Expert Group are inter-alia, to evolve the scientific criteria and methodology for fixation of wages. Section 3(1) (b) of the Minimum Wages Act, 1948, mandates the Central Government and the State Governments to review the minimum rates of wages so fixed in the scheduled employments in their respective jurisdiction at intervals not exceeding five years and revise the minimum rates, if necessary. Recently, the provisions of the Minimum Wages Act, 1948, have been rationalized and amalgamated in the Code on Wages Act, 2019, passed by the Parliament and notified on August 8, 2019. Section 8(4) of the Code stipulates that the appropriate Government must review or revise minimum rates of wages ordinarily at an interval not exceeding five years. To access the update, [click here](#).

FIRM NEWS

- Our Partner, [Sachit Jolly](#), has been recognized as “Rising Stars 2023” by Asian Legal Business | [Read More](#)
- The Hon’ble National Company Law Appellate Tribunal has recently dismissed HDFC Ltd.’s appeal against the Order of the Hon’ble National Company Law Tribunal, Mumbai approving the sale/assignment of IL&FS’ headquarters in Mumbai’s Bandra Kurla Complex to a Brookfield affiliate, along with HDFC Ltd.’s Application to stay the sale of the property. Our Litigation Partner, [Kuber Dewan](#), led by Mr. Ramji Srinivasan, Senior Advocate, along with Neeharika Aggarwal, Principal Associate; Trisha Raychaudhuri, Senior Associate; and Kaustubh Srivastava, Associate, represented IL&FS | [Read More](#)

- Our Founder & Managing Partner (Delhi), Ms. [Anuradha Dutt](#), has featured in BW Legal World's list of '100 Influential Women Driving Change in Indian Legal Ecosystem' | [Read More](#)
- In a significant judgment, Delhi High Court held that a show cause notice issued by the Revenue under Section 271C, for imposing penalty, was 'woefully' delayed, thus, quashed the show cause notice. Our Partner [Sachit Jolly](#), along with Rohit Garg (Associate Partner), Soumya Singh (Senior Associate), Disha Jham (Senior Associate) and Sohumi Dua (Associate) appeared for the Assessee | [Read More](#)
- Varun Mowar joins DMD Advocates as Director & Head – Investigations & Governance Advisory | [Read More](#)
- The Hon'ble Delhi High Court has recently, by way of a judgment delivered on 14 March 2023, held that Writ Petitions filed seeking relief against Banks and other Financial Institutions in cases where the Builder/Developer has failed to deliver possession, are not entertainable. Our Litigation Partner, [Kuber Dewan](#), along with Neeharika Aggarwal, Principal Associate; Trisha Raychaudhuri, Senior Associate; and Kaustubh Srivastava, Associate, represented one of the Respondent Banks | [Read More](#)
- Delighted to share that two of our deals have featured in the 'Deals of The Year 2022' list published by India Business Law Journal | [Read More](#)
- DMD Advocates advised the selling shareholders of Raksha Health Insurance TPA Private Limited (Raksha TPA). The transaction was led by [Sumit Sinha](#), Partner, along with Ashima Dewan, Counsel, and Sukanya Bhattacharya, Senior Associate | [Read More](#)



NEW DELHI

30, Nizamuddin East
New Delhi - 110 013
Tel: + 91 11 4719 4400 | Fax: + 91 11 4050 6977
E-mail: delhi@dmd.law

MUMBAI

121, Maker Chambers - IV, Nariman Point
Mumbai - 400 021
Tel: + 91 22 4356 5555 | Fax: + 91 22 4356 5550
E-mail: mumbai@dmd.law

www.dmd.law

Please feel free to address any questions or request for advice to: dmdadvocates@dmd.law

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