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Reserve Bank of India vide circular dated June 11, 2024, has issued International Trade Settlement in Indian Rupees (INR) – Opening of additional Current Account for settlement of trade transactions

- RBI vide circular dated June 11, 2024, has issued International Trade Settlement in Indian Rupees (INR) – Opening of additional Current Account for settlement of trade transactions.
- On a review, and to provide operational flexibility, the facility of opening an additional special current account by the AD Category-I banks (maintaining Special Rupee Vostro Account in terms of the RBI circular dated July 11, 2022 referred above) for its constituents may be extended for settlement of their export as well as import transactions.
- The Master Direction is herein attached.

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Securities Exchange Board of India vide circular dated June 14, 2024, has issued Modification in Framework for Offer for Sale (OFS) of Shares to Employees through Stock Exchange Mechanism

- SEBI vide circular dated June 14, 2024, has issued Modification in Framework for Offer for Sale (OFS) of Shares to Employees through Stock Exchange Mechanism.
- It has been decided that employees shall place bids on T+1 day at cut-off price of Tday.
- The provisions of this circular shall come into effect from 30th day of issuance of this circular.
- This circular is issued in exercise of the powers conferred under section 11(1) of the Securities and Exchange Board of India Act 1992 read with



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regulation 51 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, section 26(3) of the Depositories Act, 1996 and regulation 97 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

- The circular is herein attached.

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NCLAT holds that NCLT's role is merely supervisory in nature, not appellate when approving Schemes of Arrangement

NCLAT on May 29, 2024 in the matter of Marathon Nextgen Township Private Limited vs Regional Director, Ministry of Corporate Affairs pronounced that the NCLT holds only supervisory jurisdiction and not appellate when adjudicating upon various schemes of arrangement inter alia including demergers and amalgamations. In the foregoing case, NCLT modified the Appointed Date in the Scheme of Arrangement which had previously garnered the approval of the Board of both the companies along with the shareholders and creditors. Under the purview of Section 232(6) of the Companies Act 2013, the scheme shall necessarily contain the appointed date from which such a scheme shall be effective. In the case at hand, NCLT altered such an Appointed Date to the date of the impugned order citing that the said date was sizably backdated from the date of filing of such scheme without asserting any cogent justification for the alteration. However, as the said scheme had been filed within a year of the Appointed Date, it did not call for such alteration. Subsequently, the aggrieved party moved NCLAT against the above order by NCLT



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NCLAT JUDGEMENT

NCLAT took into account the fact that such Appointed Date was not prima facie violative of any laws as NCLT had observed that the aggrieved party was in compliance with all applicable laws and rules as enumerated in the scheme and that such alteration would impact the mathematical calculations. NCLAT was further of the view that since the Appointed Date in the scheme did not go against any public policies, NCLT did not have the power and prerogative to question the aggrieved party's commercial understanding around the said scheme. Hence, it proclaimed that NCLT's powers are constricted to supervisory and not appellate.

Conclusion

In its decision in the impugned judgment, NCLAT affirmed that any modifications to the Appointed Date shall be supported by substantial reasoning and justification. This verdict clarifies the extent of NCLT's authority, emphasizing that it should not modify the Appointed Date without attaching to it a compelling reason, particularly when the scheme is arrangement adheres to all laws and regulations and conforms to all the parameters required for its approval. This announcement hence delineates the supervisory nature of its jurisdiction, re-ascertaining that it cannot overstep its lawful bounds.



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