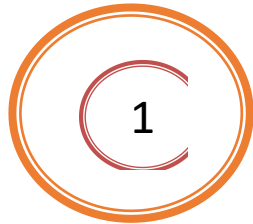


WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 06 – February 03 to February 10, 2020



Companies Act 2013 during the week

Rules - 4; Circulars - 0; Notifications – 1; Orders-0; Important Notices - 0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	04/02/2020	Notification	Commencement notification dated 03.02.2020	Through this Notification, Central Government appointed 3 rd February 2020 as the effective date on which sub-section (11) and (12) of section 230
2	04/02/2020	Rules	Companies (Compromises, and Amalgamations) Amendment Rules, 2020	Amendment, interalia, allows making application for arrangement for the purpose of takeover by the members holding 3/4 th of shares for acquiring the remaining shares. It also specifies the contents of the application which includes, Report of Registered valuer.
3	04/02/2020	Rules	National Company Law Tribunal(Amendment), 2020	MCA through this amendment, inserts new Rule to deal with grievances with respect to the takeover offer of

				<p>Unlisted Companies.</p> <p>The amendment also fixed the Application fees in case of takeover offer of companies as Rs.5000.</p> <p>Amendment also provide list of documents to be provided along with application for takeover.</p>
4	04/02/2020	Rules	NIDHI (Amendment) Rules 2020	<p>Revised form nos NDH-1 (Return of Statutory Compliances), NDH-2 (Application for extension of time) and NDH-3 (Return of Nidhi Company for the half year ended) substituted in the place of existing forms shall come into force on 10th February 2020.</p>
5	07/02/2020	Rules	Companies Incorporation (Amendment)Rules, 2020	<p>New incorporation form (Form INC 32 – Spice +) is introduced which facilitates application for new name (earlier to be applied through RUN form). However, still for changing the name of an existing entity RUN has to be used.</p> <p>Form AGILE is replaced with new e-form AGILE – PRO, which additionally contains provision for applying Professional Tax Registration and for Opening of a Bank Account</p> <p>Both the aforesaid forms are effective from 15th February 2020.</p>

S. No	NEWS ON MCA
1.	<p><u>Govt to review regulations of audit services, floats paper</u> The ministry of corporate affairs (MCA) has floated a consultation paper seeking to review regulations of audit services and business with a view to enhance independence and accountability of audit firms. It will explore ways to check concentration of audit services with a few firms and to analyse its impact on economy.</p>
2.	<p><u>MCA notification on third-party assets of NBFCs under insolvency to aid securitisation: ICRA</u> The government notification stating that third-party assets, or loan pools sold by non-banking financial companies (NBFCs), must be serviced even when the company is under insolvency proceedings will give a boost to securitisation transactions. The notification was issued after defaults on securitisation transactions originated by troubled mortgage lender Dewan Housing Finance (DHFL) following a court-ordered moratorium on repayments to creditors.</p>



SEBI during the week

Act -0; Rules -0; Regulations-0; General Orders – 1; Guidelines- 0;

Master Circulars-0; Circulars – 3; Press Release –0; Others -0;

S. No	Date of Issue	Act/rules/circulars....	Subject & Link	Gist thereof
1	05/02/2020	General order	SEBI (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order,2020	<p>SEBI through this General order informs that, the draft offer documents filed by companies for sale of securities will be kept in abeyance whenever there is a case of probable investigation or a probe is already in progress against the entities.</p> <p>The draft offer papers would also be kept in abeyance where the entities concerned have not complied with any SEBI direction, including disgorgement of illegal gains, the regulator said in a general order.</p> <p>The new order formalises the issuance of observations on draft offer documents filed with</p>

				SEBI, where an investigation, enquiry, adjudication, prosecution, disgorgement, recovery or other regulatory action is pending against the issuer or its promoters, directors or group companies.
2	03/02/2020	Circulars	Currency Future and Options Contracts (involving Indian Rupee) on Exchanges in International Financial Services Centres (IFSC)	It has been decided by SEBI that for currency futures and options contracts involving Indian Rupee (with settlement in foreign currency), the position limits for eligible market participants, per currency pair per stock exchange, shall be as limits laid down in the circular.
3	04/02/2020	Circular	Common Application Form for Foreign Portfolio Investors	The applicants seeking FPI registration shall be required to duly fill CAF and 'Annexure to CAF' and provide supporting documents and applicable fees for SEBI registration and issuance of PAN. The other intermediaries dealing with FPIs may rely on the information in CAF for the purpose of KYC.
4	06/02/2020	Circular	Disclosure Standards for Alternative Investment Funds (AIFs)	<p>i. Standard template for private placement memorandum (PPM) is introduced which has certain minimum level of information. AIFs are also permitted to provide additional information in their PPM.</p> <p>ii. It will be mandatory for AIFs to carry out an annual audit of compliance with terms of PPM. The audit shall be carried out by either internal or external auditor/legal professional. Findings of the Audit to</p>

				<p>be communicated to the Trustee or Board or Designated Partners of the AIF, Board of the Manager and SEBI</p> <p>iii.The terms of contribution or subscription agreement (by any name as it may be called), to be aligned with the terms of the PPM and shall not go beyond the terms of the PPM.</p> <p>iv.Aforesaid requirement is not applicable to (i) Angel Funds as defined in SEBI(AIF), Regulations 2012 and (ii) AIFs/Schemes in which each investor commits to a prescribed minimum capital contribution</p> <p>For applicable AIFs, the aforesaid requirements shall come into effect from March 01, 2020.</p>
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S. No	NEWS ON SECURITIES EXCHANGE BOARD OF INDIA
1	<p><u>SEBI plans 'regulatory sandbox' to allow live testing of new products, services on select customers</u></p> <p>With an aim to facilitate use of latest fintech innovations in capital markets, regulator SEBI is planning to allow live testing of new products, services and business models for selected customers by providing various relaxations and exemptions. Initially, all SEBI-registered entities will be eligible to participate in such a 'regulatory sandbox' (a live testing environment), while fintech startups and other entities that are not regulated by SEBI may also be allowed at a later stage, but no exemptions would be granted from the existing investor protection framework, KYC and anti-money laundering rules</p>

2	<p><u>SEBI proposes additional 10% interest to all the shareholders in case of delay in an open offer</u> The Securities and Exchange Board of India (SEBI) has proposed that in case of any delay in an open offer, the acquirer will have to pay an additional 10% interest to all the shareholders over and above the offer price.</p>
3	<p><u>SEBI Informal guidance in the matter of Nimish Upendrabhai Patel under SEBI (SAST) Regulations, 2011, SEBI (PIT) Regulations, 2015 and SEBI (ICDR) Regulations, 2018</u></p> <ul style="list-style-type: none"> • Contra trade restrictions under PIT regulations is applicable <ul style="list-style-type: none"> ○ For sale of shares allotted pursuant to conversion of warrants ○ For inter-se Purchase and sale (vice versa) amongst the promoter group, even the transaction was undertaken inter-se – off- market or through block deal mechanism • The acquisition which is otherwise exempt under takeover regulations may not be counted towards computing acquisitions on a gross basis under the creeping acquisition limit in terms of Reg 3 (2) of SAST regulations.
4	<p><u>SEBI has issued Informal Guidance in the matter of M/s Infosys Limited regarding SEBI (Buy-back of Securities) Regulations, 2018 and SEBI (Share Based Employee Benefits) Regulations, 2014</u> Interpretation of ‘Subsisting obligations’ used in Buyback Regulations may be considered as same as provided in the Companies Act, 2013.</p>
5	<p><u>SEBI has issued Informal Guidance in the matter of M/s JSW Steel Limited regarding SEBI (Share Based Employee Benefits) Regulations, 2014</u> SEBI SBEB regulations will not be applicable for the scheme which is floated by JVs in which listed company has less than 50% holding and promoter-controlled companies. It is also not applicable in case the employees to be benefitted are not permanent employees of the Company or Subsidiary or holding Company.</p>

3

RBI during the week

Notifications -0; Master Directions –0; Master Circulars – 0; Circular -0;

Press Release – 0;

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
NIL				

S. No	NEWS ON RESERVE BANK OF INDIA
1	<p><u>RBI Monetary Policy: Repo Rate Unchanged at 5.15%, GDP Growth For 2020-21 Pegged at 6%</u> The monetary policy committee (MPC) of the Reserve Bank of India (RBI) on Thursday kept the repo rate unchanged at 5.15 per cent and maintained accommodative stance</p>
2	<p><u>RBI Announces Incentives For Lending To Small Businesses, Housing, Auto Sectors</u> The Reserve Bank of India (RBI) tweaked the cash reserve ratio (CRR) norms on Thursday in a bid to increase lending to micro, small and medium enterprises (MSMEs) as well as the auto and home segments. The move will encourage lending towards these sectors having a multiplier effect by banks as they will get exemption in the cash reserve ratio over incremental lending. Cash reserve ratio is the percentage of total deposits that commercial banks have to mandatorily park with the RBI.</p>

4

IBC during the week

Notifications - 0; Master Directions – 0; Master Circulars – 0; Circular – 0;

Press Release – 0;

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
NIL				

S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1	<u>Homebuyers object to Insolvency code amendment, approach parliamentary committee</u> The Forum for People’s Collective Efforts (FPCE), a national lobby of homebuyers, has approached the Jayant Sinha-headed parliamentary standing committee on finance with its objection to a proposed amendment to the Insolvency and Bankruptcy Code (IBC), 2016.

S. No	GENERAL NEWS



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