

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 16- April 13 to April 19, 2020



Companies Act 2013 during the week

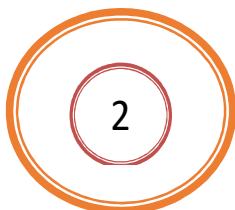
Rules – 0; Circulars - 2; Notifications – 0; Orders-0 ; Important Notices - 0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	13.04.2020	Circular	Filings under section 124 and section 125 of the Companies Act 2013 r/w IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016 in view of emerging situation due to outbreak of COVID- 19.	Through this Circular MCA makes it clear that relaxation to filings given earlier through General Circular No.11/2020 dated 24 th March, 2020 and General Circular No. 12/2020, dated 30 th March 2020 , wherein MCA-21 filings allowed till 30 th September 2020 without additional fees, shall be available to various IEPF e-forms (IEPF -1, IEPF 1A, IEPF-2, IEPF – 3, IEPF – 4, IEPF – 7) and e-verification of claims filed in e-from IEPF -5 as well and therefore no specific relaxation is required.

2	13.04.2020	Circular	<p>Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and rules made thereunder on account of the threat posed by Covid-19.</p>	<p>MCA through this Circular brings in more clarification to earlier General Circular No. 14/2020 dated 8th April 2020.</p> <p>Following important points are included in the Circular:</p> <ol style="list-style-type: none"> 1. Allowing service of notices to members through e-mail registered with the company or with depository participant/ depository. 2. Since show of hands is not relevant for Video Conferencing (VC) or Other Audio Visual Means (OAVM), it is made clear that e-voting shall be conducted for the purpose of voting. 3. E-voting shall be conducted even for items that are only to be passed through postal ballot upto 30th June 2020 or till further orders. 4. Sending of Emails by members to designated email ids where Poll on any item is required. <p>The circular also details on the role of the Chairperson, contacting shareholder's whose mail ids are not available and making public announcement in newspapers under certain circumstances.</p>
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S. No	NEWS ON MCA
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1.	Officer Order dated 13.04.2020 - Functioning of MCA – Officers at the level of Director/Deputy Secretary/JD/Equivalent and above will attend office regularly. They shall decide presence of other officers under them on need basis. Those who do not attend office on a day shall work from Home.
2	<u>Donations to CM Relief Fund Cannot Be Counted as CSR: Corporate Affairs Ministry</u> India’s corporate affairs ministry has clarified that companies cannot make financial contributions to any ‘Chief Minister’s Relief Fund’ or ‘State Relief Fund for COVID-19’ and claim that as ‘corporate social responsibility’ (CSR) spending as per existing law.



SEBI during the week

**Act -0; Rules -0; Regulations-0; General Orders – 0; Guidelines- 0;
Master Circulars-0; Circulars – 4; Press Release –0; Others -0;**

S. No	Date of Issue	Act/rules/circulars....	Subject & Link	Gist thereof
1	13/04/2020	Circular SEBI/HO/MIRSD/RTAM B/CIR/P/2020/59	Relaxation in adherence to prescribed timelines issued by SEBI due to Covid 19	In wake of the current nationwide lock down of 21 days as directed by Government of India due to issue of Covid-19, a need has been felt to extend the timelines for processing of various investor requests pertaining to physical securities and Compliance and disclosures to be made under SEBI Regulations and various SEBI circulars

				S. No.	Particulars
				1	Processing of Remat Requests
				2	Processing of Transmission Requests
				3	Processing of request for Issue of Duplicate Share Certificates
				4	Processing of Requests for Name Deletion/ Name Change/ Transposition/ Pending Share Transfers (Re-lodgement cases in the case of share transfers)
				5	Processing of Requests for Consolidation / Split / Replacement of Share Certificates / Amalgamation of Folios
				6	Handling Investor Correspondence / Grievances / SCORES complaint
				7	Submission of Half Yearly Report to SEBI pursuant to Circular No. CIR/MIRSD/7/2012 dated July 5, 2012
				8	Compulsory Internal Audit of RTAs by CA / CS / CMA holding Certificate of Practice and Certified Information Systems Auditor (CISA) / Diploma Information Systems Auditor (DISA) pursuant to Circular dated April 20, 2018, issued by SEBI
				9	Submission of Audit Report by CISA / CISM qualified or equivalent auditor by QRTAs to SEBI along with comments of the Board pursuant to Circular dated September 8, 2017 issued by SEBI on Cyber Security and Cyber Security Resilience framework for QRTAs
				10	Submission of Compliance Report by QRTAs duly reviewed by the Board of Directors of the QRTA to SEBI on Enhanced monitoring of QRTAs pursuant to Circular dated August 10, 2018 issued by SEBI
				11	Regulation 74(5) of the SEBI (D & P) Regulations, 2018
				12	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
2	15/04/2020	Circular SEBI/HO/MIRSD/RTAM B/CIR/P/2020/60	SEBI Notification on COVID 19	SEBI had issued notification for various entities to provide Capital and Debt market services for a period of 21 days on March 24, 2020. Now with MHA extending lockdown, the notification issued on March 24, 2020 shall remain in force till May 03, 2020.	
3	16/04/2020	Circular SEBI/HO/MIRSD/DOP/ CIR/P/2020/62	Relaxation in time period for certain activities carried out by depository	In view of COVID 19 Following relaxations have been provided for DPs, Stock Brokers, Share Transfer Agents /Issuer:	

			participants, RTAs / issuers, KRAs, stock brokers	<table border="1"> <thead> <tr> <th>S. No.</th> <th>Requirements</th> <th>Existing timeline</th> <th>Period of exclusion</th> </tr> </thead> <tbody> <tr> <td>I.</td> <td>Processing of the demat request form by Issuer / RTA.</td> <td>15 days</td> <td rowspan="3">From March 23, 2020 till May 17, 2020.</td> </tr> <tr> <td>II.</td> <td>Processing of the demat request form by the Participants.</td> <td>7 days</td> </tr> <tr> <td>III.</td> <td>KYC application form and supporting documents of the clients to be uploaded on system of KRA within 10 working days.</td> <td>10 days</td> </tr> </tbody> </table>	S. No.	Requirements	Existing timeline	Period of exclusion	I.	Processing of the demat request form by Issuer / RTA.	15 days	From March 23, 2020 till May 17, 2020.	II.	Processing of the demat request form by the Participants.	7 days	III.	KYC application form and supporting documents of the clients to be uploaded on system of KRA within 10 working days.	10 days
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4	17/04/2020	Circular SEBI/HO/CFD/CMD1/CI R/P/2020/63	"Additional relaxations / clarifications in relation to compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') due to the COVID – 19 pandemic"	<p>Following relaxations are provided by SEBI in relation to compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p> <ol style="list-style-type: none"> 1. Prior intimation to stock exchanges about meetings of the board: Requirement of intimation at least 5 days before the meeting if financial results are to be considered / 2 working days is reduced to 2 days for board meetings till July 31,2020. 2. Intimation to Stock Exchanges regarding loss of share certificates and issue of the duplicate certificates: Regulation require listed entities to submit information regarding loss of share 														

				<p>certificates and issue of duplicate certificates within 2 days of getting information. SEBI has relaxed the need to comply with this requirement and further clarifies that non-compliance to the timeline will not attract penal provisions. This is applicable for intimations between March 1 ,2020 and May 30,2020.</p> <p>3. Use of Digital Signatures: SEBI allows authentication/ certification of any filing/ submission to stock exchange using Digital Signature till June 30,2020.</p> <p>SEBI had relaxed the requirements relating to publication of advertisements in newspapers as required under Regulation 47 of LODR Regulations till May 15, 2020. A similar requirement that exists in regulation 52(8) and applies to entities which have listed their NCDs and NCRPS' as required under Regulation 52(8) of LODR Regulations is also exempt till May 15, 2020.</p>
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S. No	NEWS ON SECURITIES EXCHANGE BOARD OF INDIA
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RBI during the week

Notifications -0; Master Directions –0; Master Circulars – 0; Circular -1 ;

Press Release – 0;

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	17.04.2020	Circular DOR.No.BP.BC.62/21.04.048/2019-20	COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets	<p>In terms of the Prudential Framework, lenders are required to implement a resolution plan in respect of entities in default within 180 days from the end of Review Period of 30 days.</p> <p>On a review, it has been decided that in respect of accounts which were within the Review Period as on March 1, 2020, the period from March 1, 2020 to May 31, 2020 shall be excluded from the calculation of the 30-day timeline for the Review Period. In respect of all such accounts, the residual Review Period shall resume from June 1, 2020, upon expiry of which the lenders shall have the usual 180 days for resolution.</p>

				<p>In respect of accounts where the Review Period was over, but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution shall get extended by 90 days from the date on which the 180-day period was originally set to expire.</p> <p>Consequently the requirement of making additional provisions specified in paragraph 17 of the Prudential Framework shall be triggered as and when the extended resolution period, as stated above, expires.</p>
S. No	NEWS ON RESERVE BANK OF INDIA			
1	<p><u>RBI : Banks shall not declare dividends until further notice.</u></p> <p>In a span of 20 days, RBI announced the second round of liquidity boosting measures to address the economic crisis due to COVID-19, with special focus on NBFCs and MFIs. TLTRO and reduction of reverse repo rate to 3.75 percent is expected to improve liquidity in the NBFC sector. Similarly, the loans given by the NBFCs to real estate to get similar benefits as given by commercial banks is a support to both the NBFC and real estate sector</p>			
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IBC during the week

Notifications -2; 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
1	14/04/2020	Notification	Suspension of enrolments for the Limited Insolvency Examination and the Valuation Examinations till 3rd May 2020	<p>IBBI ,taking into consideration of extension of lockdown, suspends all enrolment made earlier till 03rd May 2020 for Limited Insolvency Examination and Valuation Examinations.</p> <p>Further informs that, the candidates will be allowed to reschedule their enrolments. Circular informs that date of resumption of examination will be notified separately.</p>
2	15/04/2020		Report of the Committee of Experts to Examine the Need for an Institutional Framework for Regulation and Development of Valuation Professionals	Ministry of Corporate affairs had setup ‘Committee of Experts’ to examine the need for an institutional framework for regulation and development of valuation professionals vide order No.12/ 9/2019-PI

				dated 30 th August 2019. This report is presented before Government of India accompanied by draft of 'Valuers Bill', 2020.
3	17/04/2020	Notification	To be published-IBBI (Liquidation Process) (Second Amendment) Regulations, 2020.	<p>IBBI through the Notification clarifies that period of lock down in the wake of COVID -19 shall not be counted for the purposes of computation of timeline for any task in relation to liquidation process.</p> <p>Notification is effective from 17th April 2020.</p>

S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1	<p><u>Ordinance likely to deter insolvency cases for 6 months</u></p> <p>The government is set to move an Ordinance to suspend fresh insolvency action against companies for six months by lender or other creditors due to the Coronavirus pandemic. The Centre is looking at amendments to sections 7, 9 and 10 of IBC through the Ordinance at a time when a large number of companies have seen their revenues collapse during the last month or so, with forecasts suggesting that demand for goods will remain weak due to Covid-19</p>

S. No	GENERAL NEWS
1	<u>CBIC launches e-gate passes to expedite import clearance process</u>

	<p>The revenue department has launched electronic delivery of gate passes and final bills of entry to customs brokers and importers with an aim to further simplify import clearance process by reducing human interface and help tackle the scourge of Covid-19.</p>
2	<p><u>Don't impose NPA norms on us for two years: MSME sector to Centre amid COVID-19 lockdown</u></p> <p>The Micro, Small and Medium Enterprises (MSME) sector has urged Union Finance Minister Nirmala Sitharaman to direct Reserve Bank of India (RBI) and the banks to desist from imposing the Non-Performing Assets (NPA) norms for MSME units for a period of two years post the coronavirus lockdown.</p>



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