

WEEKLY UPDATES ON COMPANY LAW,SEBI, RBI AND IBC

Week 17 – 20th April to 26th April 2020

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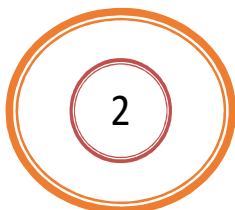
Companies Act 2013 during the week

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

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1.	21-04-2020	General Circular No. 18/2020	Holding of AGM by companies whose financial year ends on 31 st December, 2019.	Companies whose financial year has ended on 31 st December, 2019 can hold their AGM within a period of 9 months from the closure of the Financial Year instead of 6 months as per Companies Act 2013.

2.	NA	NA	Period/Days of extension for names reserved and resubmission of forms	Sl. No	Issue description	Period/Days of Extension
				1	Names reserved for 20 days for new company incorporation. SPICe+ Part B needs to be filed within 20 days of name reservation.	Names expiring any day between 15th March 2020 to 3rd May would be extended by 20 days beyond 3 rd May 2020.
				2	Names reserved for 60 days for change of name of company. INC-24 needs to be filed within 60 days of name reservation.	Names expiring any day between 15th March 2020 to 3rd May would be extended by 20 days beyond 3 rd May 2020.
				3	Extension of RSUB validity for companies.	SRNs where last date of Resubmission (RSUB) falls between 15th March 2020 to 3rd May 2020 , additional 15 days beyond 3 rd May 2020 would be allowed. However, for SRNs already marked under NTBR, extension would be provided on case to case basis. <i>Note: Forms will not get marked to (Not to be taken on Record)'NTBR' due to non-resubmission during this extended period as detailed above.</i>
				4	Names reserved for 90 days for new LLP incorporation/change of name. FiLLiP/Form 5 needs to be filed within 90 days of name reservation.	Names expiring any day between 15 th March 2020 to 3 rd May would be extended by 20 days beyond 3 rd May 2020.
				5	RSUB validity extension for LLPs.	SRNs where last date of resubmission (RSUB) falls between 15th March 2020 to 3rd May 2020 , additional 15 days would be allowed from 3 rd May 2020 for resubmission. However, for SRNs already marked under NTBR, extension would be provided on case to case basis. <i>Note: Forms will not get marked to (Not to be taken on Record)'NTBR' due to non-resubmission during this extended period as detailed above.</i>

S. No	NEWS ON MCA
1.	Form SH-11 is likely to be revised on MCA21 Company Forms Download page w.e.f 23rd April, 2020. Stakeholders are advised to check the latest version before filing.



SEBI during the week

**Act -0; Rules -0; Regulations-0; General Orders – 0; Guidelines- 0;
Master Circulars-0; Circulars – 5; Press Release –0; Others -0;**

S. No	Date of Issue	Act/rules/circulars....	Subject & Link	Gist thereof
1.	21-04-2020	Circular	<p>One time relaxation with respect to validity of SEBI observations.</p> <p>https://www.sebi.gov.in/legal/circulars/apr-2020/one-time-relaxation-with-respect-to-validity-of-sebi-observations_46536.html</p>	<p>In view of COVID 19, SEBI has decided to grant following one time relaxations.</p> <ul style="list-style-type: none"> i) Public issue / Rights issue may be opened within twelve months from the date of issuance of observations by SEBI. The validity of the observations which has expired or will expire between 1st March and 30th September has been extended by 6 months. ii) Any increase or decrease in estimated fresh issue size by more than 20 % shall require fresh filing of the draft offer document. <p>Conditions to be followed to increase or decrease</p>

				<p>the fresh issue size by up to 50% of the estimated issue size without requiring to file fresh draft.</p> <ol style="list-style-type: none"> a) No change in the object of the issue. b) Lead manager undertakes that the draft officer document is in compliance with the provision of the register. c) The lead manager shall ensure that all appropriate changes are made to the relevant section of DRHP and an addendum, in this regard.
2.	21-04-2020	Circular	<p>Relaxations from certain provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in respect of Rights Issue</p> <p>https://www.sebi.gov.in/legal/circulars/apr-2020/relaxations-from-certain-provisions-of-the-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018-in-respect-of-rights-issue_46537.html</p>	<p>Temporary relaxations in the provisions relating to Rights issue as contained in the SEBI (Issue of capital and disclosure requirements) regulations, 2018.</p> <ol style="list-style-type: none"> 1) Relaxation with respect to eligibility conditions related to fast track rights issue. 2) Certain temporary relaxations with respect to Regulation 99 of ICDR Regulations are extended as follows. 3) Relaxation with respect to minimum subscription. 4) Relaxation with respect to the minimum threshold required for not filing draft letter of offer to SEBI.

				<p>5) These temporary relaxations are applicable for Right Issues that open on or before March 31, 2021.4.</p> <p>6) The relaxations mentioned in this circular are not applicable for issuance of warrants.</p>
3.	23-04-2020	Circular	<p>Relaxation in Regulation 24(i)(f) of the SEBI (Buy-back of Securities) Regulations, 2018 due to the COVID 19 pandemic.</p> <p>https://www.sebi.gov.in/legal/circulars/apr-2020/relaxation-in-regulation-24-i-f-of-the-sebi-buy-back-of-securities-regulations-2018-due-to-the-covid-19-pandemic_46547.html</p>	<p>As per SEBI (Buy-Back of Securities) regulation, 2018, there were restrictions that the companies shall not raise further capital from the period of 1 year from the expiry of buy back period.</p> <p>To enable quick access to capital, It has been decided to temporarily relax the period of restriction in the Buy Back Regulations from one year to six months.</p> <p>Relaxation applicable till 31st December, 2020.</p> <p>Circular in force from immediate effect.</p>
4.	23-04-2020	Circular	<p>Relaxation in relation to Regulation 44(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') on holding of Annual General Meeting (AGM) by top 100 listed entities by market capitalization, due to the COVID -19 pandemic</p>	<p>Regulation 44(5) of the LODR is relaxed whereby the top 100 listed entities by market capitalization whose financial year ended on December 31, 2019 may hold their AGM within a period of nine months from the closure of the financial year.</p> <p>Shall come into force immediately.</p> <p>With reference to MCA circular 21-04-2020.</p>

			https://www.sebi.gov.in/legal/circulars/apr-2020/relaxation-in-relation-to-regulation-44-5-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-lodr-on-holding-of-annual-general-meeting-agm-by-top-100-listed-entitie-46552.html	
5.	24.04.2020	Circular	<p>Relaxation in timelines for compliance with regulatory requirements by Depository and depository participants</p> <p>https://www.sebi.gov.in/legal/circulars/apr-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements-by-depository-and-depository-participants-46557.html</p>	<p>In view of COVID 19 and extended lockdown, relaxation in timelines for compliance with regulatory requirements by Depositories and depository participants is granted as follows.</p> <ul style="list-style-type: none"> i) Submission of BO Grievances Report to Depositories. - May 18, 2020 for the month of March 2020 and April 2020. ii) Submission of half yearly Internal Audit Report (IAR) by DPs for half year ended 31st March 2020 - June 30, 2020, for half year ended March 2020 iii) Redressal of investor grievances - Period of exclusion shall be from March 23, 2020 till May 17, 2020.

				<p>iv) Transmission of securities - Period of exclusion shall be from March 23, 2020 till May 17, 2020</p> <p>v) Closure of demat account - Period of exclusion shall be from March 23, 2020 till May 17, 2020.</p> <p>vi) Systems audit on annual basis - July 31, 2020 for the financial year ended March 31, 2020.</p> <p>vii) Reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications - May 31, 2020 for quarter ended March 2020.</p> <p>viii) Risk Based Supervision - June 30, 2020 for half year ended March 2020.</p> <p>For S. No 3, 4 & 5, 15 day time period is allowed after 17th may, 2020.</p>
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S. No	NEWS ON SECURITIES EXCHANGE BOARD OF INDIA
1.	<i>Measures to further facilitate fund raising from capital markets in the backdrop of COVID-19 pandemic -21-04-2020</i>
2	Regulatory measures introduced by SEBI to continue in view of ongoing uncertainty – 20-04-2020

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RBI during the week

Notifications -; Master Directions -; Master Circulars -; Circular - ;

Press Release -;

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

S. No	NEWS ON RESERVE BANK OF INDIA
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IBC during the week

Notifications - 5; 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.	23-04-2020	Circular	<p>Subject: Governance Structure of the Registered Valuers Organisation.</p> <p>https://ibbi.gov.in/uploads/legalframework/be0b50ba79190e8cb8ea7a5f289798a6.pdf</p>	<p>It has been clarified that a member of the promoter organisation, which has promoted an RVO, shall not be an independent director in the RVO.</p> <p>A promoter organisation may have its members, shareholder member in case the promoter is a company, a trustee in case the promoter is an association of persons/ trust, or a professional member in case the promoter is a professional body - as directors on the Governing Board of the RVO. However, such directors shall not be appointed as independent</p>

				<p>director.</p> <p>further advised that if any RVO does not have composition of its Governing Board taking this clarification into account shall reconstitute the Governing Board within three months from the date of issue of this Circular</p>
2.	24-04-2020	Notification	<p>Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2020.</p> <p>https://ibbi.gov.in/uploads/legalframework/ba2702f58a4ed1841e0e7a9a71ba40ec.pdf</p>	<p>In Regulation 40(b), sub regulation (4) is added.</p> <p>A fine of Rs. 500 per month, per form for delay in filing a form under this regulation if filed after 1st October 2020, whether by correction, updating or otherwise.</p> <p>Deemed to have come into force from 25th March 2020</p>
3.	24-04-2020	Notification	<p>Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2020</p> <p>https://ibbi.gov.in/uploads/legalframework/51250311f7791102b612ff9c9810b997.pdf</p>	<p>Regulation 47A is added under Liquidation process.</p> <p>Period of lock down imposed by Central Government shall not be included for computation of time lines for any activity which cannot be completed due to lock down under Liquidation process.</p> <p>Deemed to have come into force from 17th April,2020.</p>
4.	24-04-2020	Notification	<p>Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2020.</p>	<p>In Regulation 12A sub clause 5, the following provision is inserted</p> <p>“Provided that, for an application received on and from the date of commencement of the Insolvency and</p>

			https://ibbi.gov.in/uploads/legalframework/685f38c7444a9a6b8ddad11ac23c90cf.pdf	<p>Bankruptcy Board of India (Model Bye- Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2020 and ending on the 30th September 2020, <u>if the authorisation for assignment is not issued, renewed or rejected by the Agency within thirty days of the date of receipt of application, the authorisation shall be deemed to have been issued or renewed, as the case may be, by the Agency.</u></p> <p>In Regulation 12 A Sub clause 7, the following provision is inserted.</p> <p>“Provided that, where an application for issue of authorisation for assignment has been rejected by an insolvency professional agency, on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Model Bye- Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2020 and ending on the 30th September, 2020.”.</p> <p>Deemed to have come into force with effect from the 28th March, 2020</p>
5.	24-04-2020	Notification	<p>Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2020</p> <p>https://ibbi.gov.in/uploads/legalframework/ac4</p>	<p>In Regulation 7, in sub-regulation (2), in clause (ca), the following provision shall be inserted.</p> <p>For FY 2019-2020, an Insolvency Professional shall pay</p>

			<p>67ecac3ad7a0f66433d3cbdfa03d.pdf</p>	<p>fee under this clause on or before 30-06-2020.</p> <p>In Regulation 13, in sub-regulation (2), in clause b, the following provision is inserted.</p> <p>Provided that when an individual ceases to be its director or partner, as the case may be, on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2020 and ending on the 31st December 2020, the insolvency professional entity shall inform the Board, within thirty days of such cessation.</p> <p><u>If an individual ceases to be a director or partner of an IP entity, the entity must inform the board within 30 days.</u></p> <p>In Regulation 13, in sub-regulation (2), in clause c, the following provision is inserted.</p> <p>Provided that when an individual joins as its director or partner, as the case may be, on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2020 and ending on the 31st December 2020, the insolvency professional entity shall inform the Board, within thirty days of such joining.</p> <p><u>When an individual joins as a director or partner of a IP</u></p>
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				<p><u>entity, the entity must inform the board within 30 days.</u></p> <p>In Regulation 13, in sub-regulation (2), in clause ca of the second schedule, the following provision is inserted.</p> <p>Provided that for the financial year 2019-2020, an insolvency professional entity shall pay the fee under this clause on or before the 30th June, 2020</p> <p>IP entity shall pay fees prescribed under this clause on or before 30-06-2020.</p> <p>Deemed to have come into force from the 28th March, 2020</p>
6.	24-04-2020	Notification	<p>Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2020</p> <p>https://ibbi.gov.in/uploads/legalframework/3d8c8efd906d320e296833445c91a0a4.pdf</p>	<p>After Regulation 40B, Regulation 40C is added.</p> <p>Regulation 40C deals with Special Provision Relating to Timeline for CIRP.</p> <p>Notwithstanding the timelines in this Regulation, but subject to provision of the code, the period of lockdown imposed by the Central Government is excluded for the purpose of any activity that could not be completed due to lockdown.</p>

S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
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S. No	GENERAL NEWS
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