

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 22–25th May to 31st May 2020

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Companies Act 2013 during the week

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

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	26.05.2020	G.S.R. 313(E)	Amendment of item no.(viii) in the Schedule VII of the Companies Act,2013 vide Notification dated 26 th May, 2020. Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) included in Corporate Social Responsibility (CSR) Activities under Section 135 of Companies Act, 2013.	The Ministry of Corporate Affairs has made the Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) eligible to receive contributions from corporate social responsibility (CSR) corpuses of corporates. The change would come into effect retrospectively from 28th March, 2020.

S. No	NEWS ON MCA
1.	The ministry of corporate affairs (MCA) notified the inclusion of contributions to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) in the section relating to company activities that count as corporate social responsibility (CSR) in the Companies Act.
2.	The Companies Act, 1956 (the '1956' Act) was repealed by the Companies Act, 2013 (the '2013' Act). Section1(3) of the 2013 Act states that different provisions of the 2013 Act shall come into force on such date as the government may so specify by issuing a notification in the official gazette.

2

SEBI during the week

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

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

S. No	Date of Issue	Act/rules/circulars....	Subject & Link	Gist thereof

S. No	NEWS ON SEBI
1.	<p>Shares in depository account can be used as margin till August 31.</p> <p>Markets regulator SEBI said shares in depository account, which may be pledged or re-pledged, can be used as margin for another three months till August 31 in the wake for corona virus pandemic.</p>
2.	<p>Brokers cannot use PoA to transfer client shares.</p> <p>Equity brokers may no longer be able to misuse client shares lying in demat account. From June 1, SEBI has discontinued the use of Power of Attorney (PoA) between a client and broker in the equity markets for margin purpose.</p>
3.	<p>SEBI on Thursday barred BP Fintrade Pvt Ltd and BP Comtrade Pvt Ltd from capital markets for a period of four weeks for manipulative trading in the scrip of Blue Blends (India) Limited.</p>
4.	<p>The Securities and Exchange Board of India is considering a buyback proposal for listed as well as unlisted units of Infrastructure Investment Trust (InvIT), facilitating sponsors to buy the units at a market-linked price.</p>

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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 RBI
NIL	

4

IBC during the week

**Notifications -0; Master Directions –0; Master Circulars –0; Circular –0;
Press Release –0; Others – 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.	The Central Board of Indirect Taxes and Customs (CBIC) has enabled the facility for registration of Insolvency Resolution Professionals/ Resolution Professionals (IRPs/RPs) on the GST Portal.
2.	KR Srivats A committee appointed by the Corporate Affairs Ministry (MCA)to recommend rules and regulatory framework for the smooth implementation of cross-border insolvency provisions under the Insolvency and Bankruptcy Code (IBC) has submitted its report.

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Others during the week

NSE-0; BSE-0; DIPP-0; Finance Ministry-0; Others -0;

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
NIL				

S. No	GENERAL NEWS
1.	Debt-laden IL&FS will sell its entire stake in Gujarat International Finance Tec-City Limited (GIFTCL) to the Gujarat government.
2.	<p><u>JUDGEMENT BY SUPREME COURT:</u></p> <p><u>Retirement of one partner amounts to dissolution of partnership firms consisting of only two partner:</u></p> <p>When there are only two partners and one has agreed to retire, then the retirements amounts to dissolution of the firm, the Supreme Court has observed.</p>
3.	India's gross domestic product (GDP) expanded at the slowest pace in 11 years for the fourth quarter and FY20 as the Covid-19 took hold in March, adding to pressures on an already slowing economy. A nationwide lockdown was imposed on March 25 but business activity had begun grinding to a halt a few weeks before that.
MSME NEWS	
1.	Government proposal: MSMEs may seek own insolvency while insolvency proceeding against fresh defaulters are proposed to be suspended for a year to soften the Covid-19 blow, the government is considering a proposal to allow MSMEs to approach the adjudicating authority to declare them insolvent if they so wish to pursue a resolution of their stressed assets.
2.	Medium Company turnover limit may be doubled for MSME benefits The government may enhance the turnover limit for a medium enterprise to INR 200 crore to allow more units to avail the benefits announced for micro, small and medium enterprises (MSMEs).

CIRP NEWS	
1.	Nearly 60pc cases admitted into CIRP still under resolution process. 3,774 cases admitted into the Corporate Insolvency Resolution Process as of March-end are still in the recovery mechanism, a report said.
BUSINESS NEWS	
1.	With many small and medium enterprises staring at bankruptcy or severe business disruption due to the Covid-19 crisis, large companies that buy raw material and products from them now have to deal with a new problem: denial of credits if the vendor defaults on paying goods and services tax.



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