

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC
Week 25- 15th June to 21st June 2020

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Companies Act 2013 during the week

Rules -0; Circulars -3; Notifications-0; Orders-0; Important Notices - 0

S. No	Date of Issue	Rules/Circular / Notification/Order	Contents thereof	Gist thereof
1.	15/06/2020	Circulars	Extension of Time for EGMs https://www.mca.gov.in/Ministry/pdf/Circular22_15062020.pdf	MCA had vide Circular dated 08 th April 2020 and 13 th April 2020, decided to allow Companies to conduct their EGMs through VC or OAVM or transact items through postal ballot upto June 30 th , has been extended for a further period upto 30 th September 2020.
2.	17/06/2020	Circulars	Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013 https://www.mca.gov.in/Ministry/pdf/Circular23_17062020.pdf	Under the Companies Fresh Start Scheme, 2020 as laid out in the general circular, dated March 30, 2020, the benefit of waiver of additional fees was not extended to the charge related documents. In the view of the same MCA has introduced scheme for relaxation for filing form Related to Creation / modification of Charge.

				<p>The details of the scheme are as under: -</p> <p>(i) The scheme shall come into effect from 17.06.2020.</p> <p>(ii) Applicability: The scheme shall be applicable in respect of filing of Form No. CHG-1 and Form No. CHG-9 by a company or a charge holder, where the date of creation/modification of charge:</p> <p>I. <i>Is before 01.03.2020, but the last date for filing such form had not expired</i></p> <ol style="list-style-type: none"> 1. The period 01.03.2020 to 30.09.2020 shall not be counted for the purpose of 120 dxays discussed above. 2. If the form is filed on or before 30.09.2020, the fees payable as on 29.02.2020 will be taken. 3. If the form is filed thereafter, the applicable fees shall be charged after adding the number of days beginning from 01.10.2020 and ending on the date of filing plus the time period lapsed from the date of the creation of charge till 29.02.2020. <p>II. <i>Falls on any date between 01.03.2020 to 30.09.2020 (Both Dates Inclusive)</i></p> <ol style="list-style-type: none"> 1. The period beginning from the date of creation/modification of charge to 30.09.2020
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				<p>shall not be counted for 120 days calculation discussed above.</p> <p>2. If the form is filed before 30.09.2020, normal fees shall be payable.</p> <p>3. If the form is filed thereafter, the first day after the date of creation/modification of charge shall be taken as 01.10.2020 and the number of days till the date of filing of the form shall be counted accordingly for the purposes of payment of fees.</p> <p>(iii) The Scheme shall not apply, in case:</p> <ul style="list-style-type: none"> • The forms i.e.CHG-1 and CHG-9 had already been filed before the date of issue of this Circular. • The timeline for filing the form has already expired of the Companies Act prior to 01.03.2020. • The timeline for filing the form expires at a future date, despite exclusion of the time provided above. • Filing of Form CHG-4 for satisfaction of charges.
3.	20/06/2020	Circulars	Clarification with regard to creation of deposit repayment reserve of 20% u/s. 73 (2) (C) of the companies Act 2013 and to invest or deposit 15% of	<p>Applicable for companies which have accepted deposits or debentures and which are maturing during the year:</p> <p>MCA vide Circular dated 24/03/2020 extended the</p>

		<p>amount of debentures u/r.18 of Companies (Share capital and Debentures) Rules 2014 - COVID-19 - Extension of time</p> <p>https://www.mca.gov.in/Ministry/pdf/Circular24_20062020.pdf</p>	<p>time limit to comply with the requirement under section 73(2)(C), to create the deposit repayment reserve of 20% of deposits maturing during the FY 2021-21 before 30th April to, 30th June 2020.</p> <p>Due to Covid-19, MCA has been decided to further extend the time to 30th September 2020</p>
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S. No	NEWS ON MCA
	Nil

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SEBI during the week

**Act -0; Rules -0; Regulations-4; General Orders – 0; Guidelines- 1;
Master Circulars-0; Circulars – 0; Press Release – 1; Others -0;**

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
1.	16/06/2020	Regulation	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2020 https://www.sebi.gov.in/legal/regulations/jun-2020/securities-and-exchange-board-of-india-substantial-acquisition-of-shares-and-takeovers-amendment-regulations-2020-46884.html	Under Regulation 3 related to “Substantial acquisition of shares or voting rights” a proviso has been inserted, stating that the acquisition beyond 5% but up to 10% of the voting rights in the target company shall be permitted for the financial year 2020-21 <u>only in respect of acquisition by a promoter pursuant to preferential issue</u> of equity shares by the target company. SEBI has relaxed the voluntary open offer requirement till 31st March 2021 under SEBI (SAST) Regulations
2.	16/06/2020	Regulation	Securities and Exchange Board of India (Issue of Capital and Disclosure	SEBI has further relaxed compliances with the ICDR regulation

			Requirements) (Amendment) Regulations, 2020 https://www.sebi.gov.in/legal/regulations/jun-2020/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-amendment-regulations-2020-46885.html	Existing Regulations	Relaxation
				Regulation 172(3): The issuer shall not make any subsequent Qualified Institution Placement until the expiry of Six Months from the date of prior Qualified Institution Placement pursuant to one or more Special resolution	The word “ six months ” shall be substituted with the words “ two weeks ” The Issuer shall not make any subsequent Qualified Institution Placement after the expiry of two weeks from the date of the prior Qualified Institution Placement
3.	16/06/2020	Regulation	Securities and Exchange Board of India (Infrastructure Investment Trusts) (Second Amendment) Regulations, 2020 https://www.sebi.gov.in/legal/regulations/jun-2020/securities-and-exchange-board-of-india-infrastructure-investment-trusts-second-amendment-regulations-	Securities and Exchange Board of India (Infrastructure Investment Trusts) (Second Amendment) Regulations, 2020 to amend the provisions governing the sponsor of Infrastructure Investment Trusts. A new Regulation 7A has been inserted which deals with de-classification of the status of the sponsor. This shall be applicable to all the sponsors who are listed on the website for more than three years, subject to compliance with the conditions that the unit holding of such sponsor and its associates have taken together do must not exceed 10% of the	

			2020 46886.html	outstanding units of the InvIT and the investment manager of the InvIT must not be controlled by such sponsor or its associates.
4.	16/06/2020	Regulation	<p>Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020</p> <p>https://www.sebi.gov.in/legal/regulations/jun-2020/securities-and-exchange-board-of-india-real-estate-investment-trusts-second-amendment-regulations-2020-46887.html</p>	<p>Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020. The amendments deal with the provisions governing the sponsors of Real Estate Investment Trusts.</p> <p>A new regulation 7A has been inserted relating to De-classification' of the status of the sponsor.</p> <p>De-classification of the status of a sponsor(s) of a REIT whose units have been listed on the stock exchanges for a period of three years shall be permitted upon receipt of an application from the REIT and subject to compliance with the conditions that the unit holding of such sponsor and its associates have taken together do must not exceed 10% of the outstanding units of the REIT and the investment manager of the REIT must not be controlled by such sponsor or its associates.</p> <p>Further, the maximum subscription under Regulation 14(2) (ba) from any of the sponsors shall not be more than 25% of the unit holding.</p>

5.	18/06/2020	Informal Guidance	Informal Guidance sought by Ankur Fincon Management Pvt. Ltd. On SEBI (AIF) Regulations	<p>4 queries were sought by the queriest on SEBI (Alternative Investment Funding) Regulations 2012 which were specifically answered by SEBI. A gist of their query and responses are as under:</p> <ol style="list-style-type: none"> 1. Can investors participate in selective schemes offered by Angel Fund Ans - Yes 2. Is each scheme of Angel Fund an independent Vehicle with its own set of investors Ans - Yes 3. Whether an investor who does not approve to participate in a particular scheme, are ring-fenced from that scheme investments Ans - Yes 4. An investor who cannot participate in a scheme due to regulatory limitations, will their investment in other scheme (where they are eligible) amount to non-compliance Ans - Yes as stated earlier he is ring fenced, and therefore does not amount to non-compliance. <p>Note - The responses are concised for quick reading. Detailed response is available in link provided.</p>
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6.	18/06/2020	Press Release	Regulatory measures to continue	Due to Covid 19, it has been decided to extend all the regulatory measures introduced vide SEBI Press Release dated 20.03.2020 will continue to be in force till July 30,2020.
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S. No	NEWS ON SEBI
1.	<p>SEBI moves against stay order in Gujarat HC, says delay in winding up will hurt Franklin investors</p> <p>The Securities and Exchange Board of India (SEBI) has filed a letters patent appeal against the Gujarat High Court order which had stayed the winding-up process of six schemes shuttered by Franklin Templeton. Letters patent appeal is an appeal by a petitioner against a decision of a single judge, to shift the case to another bench of the same court.</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
1.	<p>RBI may allow one-off restructuring of stressed loans The Reserve Bank of India (RBI) may allow banks to restructure company loans without having to set aside funds to cover potential losses as a one-time exemption to ease the strain on businesses and lenders during the coronavirus pandemic, a senior central bank official said</p>
2.	<p>Homing in on overhaul, RBI redraws ground rules for HFCs The Reserve Bank of India has proposed to overhaul rules governing housing finance companies, including classifying them based on their asset size; banning them from lending simultaneously to a construction company and individual home buyers in the same project; and setting clear exposure targets for them to qualify as a housing finance company.</p>

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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.	<p>Supreme Court issues notice to Centre in plea challenging Constitutionality of Insolvency and Bankruptcy Code (Amendment) Act, 2020</p> <p>The Supreme Court today issued notice in a plea challenging the constitutional validity of Sections 3 and 10 of the Insolvency and Bankruptcy Code (Amendment) Act, 2020 [Association of Karvy Investors v. Union of India]. The three-judge Bench issued notice to the Centre and also extended protection to all such petitions filed under Section 7 of the IBC Amendment Act that do not meet the 10% requirement as introduced by the amendment.</p>
2.	<p>Liquidator has overriding right on company's assets over tax department: NCLT</p> <p>The revenue department cannot attach the assets of a company in liquidation if the liquidator has already taken in account its tax dues, the bankruptcy court has said. The principal bench of the National Company Law Tribunal (NCLT) in New Delhi ruled that the liquidator has overriding powers under the Insolvency and Bankruptcy Code to take over both movable and immovable</p>

	assets of a corporate debtor
3.	NCLT permits UVARCL to transfer right of use of spectrum The National Company Law Tribunal (NCLT)-Mumbai, which approved the takeover of the defunct Aircel, has permitted UV Asset Reconstruction Company Ltd (UVARCL) to transfer or sell spectrum. The tribunal, granting the request to transfer spectrum rights, said that the Department of Telecommunications (DoT) was represented in all meetings of the Committee of Creditors (CoC) from the third meeting onwards.

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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.	<p>No merit in 'charging interest on interest' for deferred payments during moratorium: Supreme Court</p> <p>The Supreme Court Wednesday said there is "no merit in charging interest on interest" for deferred loan payment instalments during the moratorium period announced in wake of the COVID-19 pandemic. A bench headed by Justice Ashok Bhushan observed that once moratorium is fixed then it should serve the desired purposes and the government should consider interfering in the matter as it cannot leave everything to banks.</p>
MSME NEWS	
Nil	



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