

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 28-6th July to 12th July 2020

1

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.	06.07.2020	General Circular No. 26/2020	Extension of the last date of filing of Form NFRA-2 (Annual Return)			
				Issue description	E-Form	Period/Day of extension
				Filing of form NFRA-2 for applicable companies, as per rule 3 of NFRA rules 2018, for the reporting period 2018-2019	NFRA-2	<p>27th November 2019: 90 days from the date of deployment of the form in website. i.e. 8th March 2020</p> <p>5th March 2020: 150 days from the date of deployment of the form in website. i.e. 7th May 2020</p> <p>30th April 2020: 210 days from the date of deployment of the form in website. i.e. 6th July 2020</p> <p>6th July 2020: 270 days from the date of deployment of the form in website. i.e. 4th September 2019</p>

						<p>As per Rules Original Due date: Rule 5 of NFRA Rules specifies that the form is to be filed within 30th November of every year</p>
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S. No	NEWS ON MCA
1.	<p><u>SC sets aside NCLAT, NCLT orders holding Pankaj Oswal's plea against Oswal Agro Mills maintainable</u> The Supreme Court on Monday in Ahey Oswal Group case set aside the orders of NCLAT and NCLT, Chandigarh. The apex court held that Pankaj Oswal's plea alleging "oppression and mismanagement" into the affairs of Oswal Agro Mills Ltd is not "maintainable" as he does not have 10 per cent of the total issued, paid-up and subscribed capital of the company to be eligible to file matter under Sections 241 and 242 of the Companies Act, 2013.</p>
2.	<p><u>Dispute As To Inheritance Of Shares Cannot Be Decided In Proceedings U/s 241/242 Of Companies Act, 2013: SC</u> The Supreme Court has observed that a dispute as to inheritance of shares is a civil dispute and cannot be said to be a dispute as regards oppression and mismanagement so as to attract company court's jurisdiction (section 241/242 of the Companies Act, 2013). Section 241 of the Companies Act deals with application to the National Company Tribunal for Relief in Cases of Oppression, etc and Section 242 deals with the power of Tribunal to deal with such applications.</p>

2

SEBI during the week

**Act -0; Rules -0; Regulations-0; General Orders – 0; Guidelines- 0;
Master Circulars-0; Circulars – 2; Press Release –0; Others -0;**

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
1.	07.07.2020	Circular	Relaxation from compliance with certain provisions of the SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 (ILDM Regulations) and certain SEBI Circulars due to the CoVID -19 virus pandemic	<p>Applicability of the Regulation:</p> <ul style="list-style-type: none"> To issuance and listing of MDS by public issuance and, On private placement basis intended to be listed on RSE <p>Investor Grievance Previous due date : 30.06.2020 Extended due date : 31.07.2020</p> <p>Financial results Previous due date : 30.06.2020 Extended due date : 31.07.2020</p> <p>Accounts maintained by issuers Previous due date : 30.06.2020 Extended due date : 31.07.2020</p>
2.	09.07.2020	Circular	Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015 - Amendments	<p>Clause 4(1) of SEBI (IFSC) Guidelines, 2015 is amended as, Any Indian recognized stock exchange or any stock exchange of a foreign jurisdiction may form a subsidiary to provide the services of stock exchange in IFSC</p> <p>Conditions:</p> <ul style="list-style-type: none"> At least 51% of paid up equity share capital is held by such stock exchange and Remaining share capital may be offered to any other person

				<p>(whether Indian or of foreign jurisdiction) Restriction: Such person shall not at any time, directly or indirectly, either individually or together with persons acting in concert, acquire or hold more than five per cent of the paid up equity share capital in a recognized stock exchange in IFSC, subject to applicable law. Exceptions: Following can hold more than 5% but not above 15% with prior approval of board and regulation 19 and 20 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.</p> <ul style="list-style-type: none"> • Stock exchange, • Depository, • Banking company, • Insurance company • Commodity derivatives exchange • Public financial institution of Indian jurisdiction • Bilateral or multilateral financial institution approved by the Central Government,

NEWS ON SEBI

1.	<p>Sebi signs pact with CBDT for data, info exchange; sets up data exchange steering group Capital markets regulator SEBI has signed a pact with the Central Board of Direct Taxes (CBDT) for facilitating regular exchange of data and information.</p>
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RBI during the week

**Notifications -2; Master Directions -0; Master Circulars -0; Circular - 0;
Press Release -0;**

S. No	Date of Issue	Notifications /Master Directors/Ma ster Circulars	Subject & Link	Gist thereof															
1.	06.07.2020	Notification	<p>Extension of timeline for finalization of audited accounts</p> <p>Applicable NBFCs as per the Directions</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">Criteria</th> </tr> <tr> <th>Particulars</th> <th>Provision</th> <th>Asset size</th> </tr> </thead> <tbody> <tr> <td>NBFC- Not systemically important</td> <td>Not accepting / holding public deposits</td> <td>Total assets of below ₹ 500 crore</td> </tr> <tr> <td>NBFC-Factor registered with the Bank</td> <td>U/s 3 of the Factoring Regulation Act, 2011</td> <td>Asset size of below ₹ 500 crore</td> </tr> <tr> <td>NBFC- Infrastructure Finance Company (NBFCIFC) registered with</td> <td>RBI Act, 1934</td> <td>Asset size of below ₹ 500 crore</td> </tr> </tbody> </table>		Criteria		Particulars	Provision	Asset size	NBFC- Not systemically important	Not accepting / holding public deposits	Total assets of below ₹ 500 crore	NBFC-Factor registered with the Bank	U/s 3 of the Factoring Regulation Act, 2011	Asset size of below ₹ 500 crore	NBFC- Infrastructure Finance Company (NBFCIFC) registered with	RBI Act, 1934	Asset size of below ₹ 500 crore	<p>Para 18(2) of the Master Direction on Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016,</p> <p>For Applicable NBFCs,</p> <ul style="list-style-type: none"> Original Due Date Should finalise their balance sheet within a period of 3 months from the date to which it pertains(Financial Year). Extended Due Date
	Criteria																		
Particulars	Provision	Asset size																	
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			the Bank			30th June 2020 or 31st July 2020
			NBFC- Being Govt Comp	Section 2(45) of the Companies Act, 2013		
2.	10.07.2020	Notification	Exemption from Registration as NBFC – Alternative Investment Fund (AIF)			<p>Venture capital fund companies,</p> <ul style="list-style-type: none"> • Holding a certificate of registration obtained under section 12 of the Securities and Exchange Board of India Act, 1992 (Act 15 of 1992) and • Not holding or accepting public deposit are exempted from the provisions of section 45-IA(45-IA. Requirement of registration and net owned fund) and 45-IC)Reserve fund) of the RBI Act, 1934 and also from the applicability of guidelines issued by the Bank

S. No	NEWS ON RBI
1.	<p>Madras HC issues notice to RBI to respond to PIL challenging NPA norms</p> <p>PIL has been filed in Madras High Court challenging the Non-Performing Assets (NPA) norms set suitable to the Indian economy by the banking regulator for which the court today issued a notice to the Reserve Bank of India (RBI) to respond to the Public Interest Litigation (PIL).</p>
2.	<p>Why The Modi Government Decision To Bring All Cooperative Banks Under RBI Control Is A Huge Reform</p> <p>Government as decided to bring all urban cooperative and multi-state cooperative banks under the supervision of the Reserve Bank of India. This has been done so that the apex bank will safeguard the interests of 8.6 crore people who have deposited their money in these banks.</p>
3.	<p>How Modi govt's ordinance on cooperative banks can prevent PMC-like scams, protect depositors</p> <p>The government changed the laws governing cooperative banks through an ordinance — a positive move towards reforming the Reserve Bank of India's oversight of banks, and enabling resolution. The ordinance does three things. First, it changes the way the</p>

	RBI can intervene in failing banks to protect deposits. Second, it allows cooperative banks to raise capital through issuing securities. Third, and most important, it increases the power of the RBI over cooperative banks
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IBC during the week

Notifications - 1; 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				
1	10.07.2020	Guidelines	<p>Insolvency and Bankruptcy Board of India(Online Delivery of Educational Course and Continuing Professional Education by Insolvency Professional Agencies and Registered Valuers Organisations)Guidelines, 2020</p> <p>Applicability</p> <table border="1"> <thead> <tr> <th>Regulation</th> <th>Course</th> </tr> </thead> <tbody> <tr> <td>5(b) of the IBBI (Insolvency Professionals) Regulations, 2016</td> <td>Pre-registration educational course</td> </tr> </tbody> </table>	Regulation	Course	5(b) of the IBBI (Insolvency Professionals) Regulations, 2016	Pre-registration educational course	<p>To minimize difficulties for the registered valuers, IPs, valuer members and prospective IPs, the Board, vide its advisories dated 20th March, 2020 allowed online delivery of courses by RVOs and IPAs and continuing education by RVOs till 30th September, 2020.</p> <p>Due to current situation it is considered necessary to continue online delivery of education beyond 30th September, 2020, in addition to classroom mode, wherever possible. However, it is necessary that such delivery is as effective as class-room delivery of</p>
Regulation	Course							
5(b) of the IBBI (Insolvency Professionals) Regulations, 2016	Pre-registration educational course							

			7(2)(ba) IBBI (Insolvency Professionals) Regulations, 2016	Continuing professional education	education.
			Rule 12(2) of Companies (Registered Valuers and Valuation) Rules, 2017	Educational Courses	
			Rule 12(2)(e) of Companies (Registered Valuers and Valuation) Rules, 2017	Continuing education	

S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1.	DHFL which is currently undergoing CIRP has defaulted on Rs 50-cr NCD repayment, blames "moratorium restrictions" as per section 14 of IBC,2016 and the holders will remain in abeyance subject to the outcome of CIRP .
2.	West Bengal Authority of Advance Ruling (AAR) The sale of assets by a NCLT appointed liquidator is considered as sale and hence registration is required under section 24 of GST act and if already registration is done as a distinct person of corporate debtor, the registration will continue to exist till the liability cease to exist u/s 29(1)(c)
3.	NCLT admits insolvency plea against V2 Retail Operational creditor of V2 Retail initiated CIRP were the operational debt amounted to 86.61Lakh (24 Invoices). The corporate debtor on receipt of notice of demand replied that the invoices reflect excessive and arbitrary rates paid. After consideration the NCLT has admitted the case against V2 retail
4.	JP Associates Lenders Attempt Resolution Plan Outside IBC Lenders to debt-laden Jaiprakash Associates Ltd. are working on a resolution plan for the company, which would save them a trip to the insolvency courts.
5.	HC moved against amendment to insolvency code A PIL has been filed in the Madras High Court challenging a Central ordinance amending the Insolvency and Bankruptcy Code (IBC) wherein fresh insolvency proceedings will not be initiated for defaults on account of the coronavirus pandemic.

6.	<p>NCLT approves Amtek Auto resolution plan The National Company Law Tribunal (NCLT) approved the resolution plan for bankrupt firm Amtek Auto, submitted by US-based hedge fund Deccan Value Investors LP (DVIL) on Thursday. This brought to a close the three-year old case after the Supreme Court (SC) in June, refused to give more time for DVIL to assess the impact of the economic contraction caused by the pandemic</p>
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Others during the week

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

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

S.No	MSME NEWS
1	The Centre has come up with Udyam registration for the micro, small and medium enterprises with the notion to stimulate or boost the entrepreneurs. It has been clarified that except the portal no other private online or offline system, service, agency or person is authorized to do MSME registration. <ul style="list-style-type: none"> Name of the Portal: Udayam portal Documents needed: Self-attested documents and Aadhaar.
2	
TRADEMARK NEWS	
1	Issue has popped up between 2 brands relating to their trademark rights. HUL has rebranded its flagship skincare cream "Fair and Lovely" as "Glow and Lovely", and Emami Ltd which already has legal ownership of the trademark for "Fair and Handsome" and both deals with men's grooming products, have issues of trademarks rights.
2	Delhi HC orders status quo on SRL diagnostic trademark in Daiichi Sankyo case The Delhi High court on Wednesday ordered status quo on SRL diagnostic trademark and restrained the creation of any third party rights. The next date of hearing is on 28 July and the respondents have to file replies within three weeks.
LABOUR LAW NEWS	
1	Unorganized workers need specific policy to protect their interests

	Workers, especially those in the unorganized sector, need a specific policy capable of protecting their interests. Such a policy cannot be relegated to the future, says, the chairperson of the standing committee on labour.
2	Labour Reform: Centre invites suggestions on draft rules for minimum wages, working hours In the face of increasing criticism and negative public perception over the plight of migrant labourers, the Centre is now pushing for a more wholesome assessment of minimum wage for workers.
3	Code on Wages likely by Sept The Code on Wages, 2019, the first law under labour reforms, is likely to be implemented by September
E-COMMERCE NEWS	
1.	E-commerce policy set to mandate disclosing product origin The government is likely to roll out the country's first e-commerce policy which will contain provisions under Press Note 3 and mandates for sellers to notify the origin of products, top sources privy to the development. The revised draft of the e-commerce policy may even entail stricter regulations for e-commerce giants like Amazon and Flipkart, especially after sellers and trader bodies have been accusing them of preferential treatment and predatory pricing leading to market domination
OTHERS	
1.	WhatsApp new feature: Business owners can now use QR codes to reach customers WhatsApp recently introduced QR codes to the platform on the user end where users could share contacts with each other by just scanning these codes. Now WhatsApp has introduced the QR code scanning feature on WhatsApp Business application. These QR codes will act as a doorway for the consumer to reach a business that has an official account on WhatsApp.
2.	DGFT to revamp services through the new digital platform starting next week This is to provide the exporters an option of a single online registration for all benefits significantly cutting down paperwork and transaction time. First phases is the website scheduled to be launched on 13.07.2020 to cater services related to IEC (import-export code) issuance, modification and amendment processes and a chatbot catering to queries of users.
REAL ESTATE SECTOR RELATED NEWS	
1.	Online applications for project's registration will be submitted in RERA In view of the corona pandemic, promoters are required to submit applications through RERA web application for registration of project with Real Estate Regulatory Authority (RERA). For scrutiny by the RERA, promoters are required to submit hard copies of only 5 necessary documents. The remaining documents will be submitted online only.



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