

**WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC**  
**Week 29–13<sup>th</sup> July to 19<sup>th</sup> July 2020**

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**Companies Act 2013 during the week**

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

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

S. No	NEWS ON MCA
1.	<p>Form PAS-6(Reconciliation of Share Capital Audit Report (Half-yearly)) is available for filing as eForm w.e.f 15<sup>th</sup> July 2020.</p> <p>MCA has extended the last date to file Form PAS-6 for the half-year ended on 30.09.2019 upto 60 days from the date of deployment of this form on the website of the Ministry vide its Circular dated 28.11.2019.</p> <p>The due date for filing the said form for the half year ended 30<sup>th</sup> September 2019 and March 2020 is 12<sup>th</sup> September 2020.</p> <p><b>Applicability:</b> Every unlisted Public Company</p> <p><b>Non-applicabilty:</b> Nidhi, Government company or a wholly owned subsidiary</p>

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### SEBI during the week

**Act -0; Rules -0; Regulations-0; General Orders – 0; Guidelines- 0;  
Master Circulars-0; Circulars – 3; Press Release –0; Others -1;**

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
1.	15.07.2020	Circular	Relaxation from compliance with provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (“ILDS Regulation”), SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 (“NCRPS Regulations”) and SEBI Circulars relating to Listing of Commercial Papers	It has been decided to permit listed Issuers who have issued NCDs/NCRPS/CPs, on or after July 01, 2020 and intend/propose to list such issued NCDs/NCRPS/CPs, on or before July 31, 2020, to use available financials as on December 31,2019 due to pending finalization of their annual accounts for the financial year ending March 31,2020.
2.	17.07.2020	Circular	Manner and mechanism of providing exit option to dissenting	This circular details the guidelines in respect of conditions, manner and mechanism of exit option to be provided to dissenting unit holders.

			unit holders pursuant to Regulation 22(6A) and Regulation 22(8) of SEBI (Real Estate Investment Trusts Regulations), 2014	
3.	17.07.2020	Circular	Manner and mechanism of providing exit option to dissenting unit holders pursuant to Regulation 22(5C) and Regulation 22(7) of SEBI (Infrastructure Investment Trusts Regulations), 2014	This circular details the guidelines in respect of conditions, manner and mechanism of exit option to be provided to dissenting unit holders.
4.	17.07.2020	Notification	Securities and Exchange Board of India (Prohibition Of Insider Trading) (Amendment) Regulations, 2020	<p>The gist of the amendments are as follows:</p> <p>Under communication or procurement of unpublished price sensitive information:</p> <ul style="list-style-type: none"> <li>• In addition to BOD, head(s) of the organization can also handle unpublished price sensitive information (UPSI)</li> <li>• The nature of UPSI shall also form part of the database</li> <li>• Such database shall not be outsourced and shall be maintained internally</li> <li>• The said database is to be maintained for eight years subject to completion of investigation or enforcement proceedings</li> </ul>

				<p>Power to the Board has been given to specify form and manner of Continual Disclosures from time to time.</p> <p>Under Minimum Standards for Code of Conduct Schedule for Listed Companies, Intermediaries and Fiduciaries</p> <ul style="list-style-type: none"> <li>• The kind of transactions which are undertaken in accordance with respective regulations made by the Board has been widened by giving power to the Board to specify transactions based on specific mechanism</li> <li>• Any amounts collected for the contravention of the code of conduct shall be remitted to the Board for credit to the Investor Protection and Education Fund(IPEF) administered by the Board under the Act</li> <li>• The code of conduct shall specify that in case it is observed by the Listed Companies/Intermediaries and Fiduciaries required to formulate a code of conduct, that there has been a violation of these regulations, it shall promptly inform the stock exchange(s)(<i>erstwhile Board</i>) where the concerned securities are traded, in such form and such manner as may be specified by the Board from time to time.</li> </ul>
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**NEWS ON SEBI**

1.	<p><b>SEBI move to allow trading in ‘defaulted debt securities’ is welcome</b></p> <p>SEBI has permitted trading in defaulted debt securities. This order could well be an important step forward for growth of the secondary debt market in India. The move is also an important definitive step towards trading in junk bonds — an asset class suitable for investors with high risk appetite. In the absence of a specialised domestic investor community for such assets as yet, FIIs and other overseas investors, as may be permitted by SEBI, will initially be active in this market segment.</p>
2.	<p>The Hon’ble SAT in the matter of ICICI Bank Limited vs. SEBI (Dated July 8, 2020) has set aside SEBI’s order that imposed Rs. 10 lakh penalty on ICICI Bank for delayed disclosure about a binding agreement signed by the ICICI Bank with Bank of Rajasthan back in 2010. In September 2019, SEBI imposed a penalty of Rs. 10 lakh on ICICI Bank for disclosure lapses, including delayed disclosure of binding agreement signed with Bank of Rajasthan, in violation of Listing Agreement.</p>
3.	<p>SEBI imposed monetary penalty of Rs. 5 Lakh on Compliance Officer and Company Secretary of Edelweiss Financial Services Ltd. for failing to close trading windows during the existence of the Unpublished Price Sensitive Information. There were repeated instances wherein compliance officer had failed to close the trading window and violated the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>
4.	<p>JM Financial Ltd’s former Vice President Atul Saraogi has settled an alleged insider trading case with SEBI by paying an amount of Rs. 15 lakh towards settlement charges. During the span of investigation, SEBI observed that Saraogi had entered into two off-market trades in shares of JMFL and had not obtained pre-clearance from JMFL for the two off-market trades. Besides, he had entered the off-market transaction when the trading window was closed.</p>

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**RBI during the week**

**Notifications -1; 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.	16.07.2020	Notification	Fair Practices Code for Asset Reconstruction Companies	Reserve Bank of India has announced guidelines for “Fair Practices Code” for Asset Reconstruction Companies (ARCs) to ensure highest standards of transparency and fairness while dealing with their stakeholders. ARCs shall release all securities on repayment of dues or on realisation of the outstanding amount of loan, subject to any legitimate right or lien for any other claim they may have against the borrower.

S. No	NEWS ON RBI
1.	<p><b>RBI directs HDFC Bank to return ₹210 crore to Mashreq Bank in Altico Capital case</b></p> <p>The Reserve Bank of India (RBI) has asked HDFC Bank to return ₹210 crore to Dubai-based Mashreq Bank, which was debited from non-bank lender Altico Capital's account last year to net off its loans, said two people aware of the development. In September 2019, the Indian private sector lender had debited a part of the money raised by Altico through an external commercial borrowing (ECB) from Mashreq Bank. These ECB funds were parked by Altico in HDFC Bank.</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><b>Is the bar on initiation of insolvency proceedings under Sec 10A IBC applicable even to pending cases?</b></p> <p>The National Company Law Tribunal, Chennai Bench has held that the bar on initiation of insolvency proceedings under Section 10A of the Insolvency &amp; Bankruptcy Code shall even apply to pending cases in relation to defaults that have arisen on or after March 25. (Siemens Gamesa Renewable Pvt Ltd vs Ramesh Kymal). "The date of filing cannot determine the rights of the parties in view of the prevalent extraordinary situation which will wholly defeat the object of the promulgation of the Ordinance in protecting the interest of the corporate persons." NCLT has said. The order was passed by a two-member Bench of R Varadharajan, Member (Judicial) and Anil Kumar B, Member (Technical).</p>



2.	<p><b>NCLAT asks Airtel firms to pay ₹112 crore adjusted dues to Aircel</b></p> <p>The National Company Law Appellate Tribunal (NCLAT), New Delhi has set aside a ruling which allowed Airtel Companies to adjust certain dues owed to them by Aircel companies, which are under insolvency proceedings.</p>
3.	<p><b>NCLT sets aside insolvency proceedings against V2 Retail</b></p> <p>The National Company Law Tribunal has closed insolvency proceedings against V2 Retail after the operational creditor settled payment-related dispute with the company. A two-member bench of the NCLT allowed the application filed by the Interim Resolution Professional (IRP) of V2 Retail to withdraw the Insolvency petition against the company after the settlement with the creditor. The NCLT approved the settlement after it perused the averments made in the application, as well as the settlement agreement enclosed with the application and IRP received his expenses. "Under such circumstances, we think it is proper to approve the settlement. Accordingly, we hereby allow the prayer of the IRP and the company petition... stands dismissed as withdrawn and the order dated June 25, 2020, by the CIRP was ordered to be initiated in the present matter is hereby set aside," said the NCLT in its order dated July 10.</p>

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**Others during the week**

**NSE-; BSE-0; DIPP-0; Finance Ministry-2; Others -0;**

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	13/07/2020	Notification	Ministry of Finance (Department of Economic Affairs)	The Union Ministry of Finance has notified the interest rate i.e. 7.1% (seven point one percent) for Special Deposit Scheme for Non-Government Provident, Superannuation and Gratuity Funds for the July-September quarter. This rate will be in force w.e.f. 1st July, 2020.
2	13/07/2020	Notification	Ministry of Finance (Department of Revenue) (Central Board of Indirect Taxes and Customs)	CBIC extended due date of GSTR-4 for Financial Year 2019-20 to 31st August 2020 which earlier was 15th July 2020. GSTR-4 is a GST Return which is required to be filed by a GST composition dealer. A dealer opting for the GST composition scheme is required to furnish only 1 return which is GSTR 4.

<b>MSME NEWS</b>	
<b>1</b>	<p><b>Large number of MSMEs approaching banks for collateral-free loans: Survey</b></p> <p>Large number of businessmen in the MSME sector have approached banks for collateral-free loans to tide over the crisis following the coronavirus outbreak, a Care Ratings survey said. According to the survey, nearly 70 per cent of the respondents have approached banks for collateral free and government guaranteed loans, and the majority of them intend to borrow less than Rs 1 crore. It further revealed that banks have so far sanctioned loans to around one-third of the applicants and the cost of borrowings is 8-9 per cent for most of the borrowers.</p>
<b>E-COMMERCE NEWS</b>	
<b>1.</b>	<p><b>The Associated Chambers of Commerce and Industry of India (ASSOCHAM) pleads with FM for One Nation, One Stamp Duty on M&amp;As</b></p> <p>Amidst an impending increase in mergers and acquisitions (M&amp;As) in the post-Covid-19 era, the ASSOCHAM has approached the finance minister Nirmala Sitharaman with a plea to streamline the M&amp;As on the principle of 'One Nation, One Stamp Duty'. In a representation to the finance minister, ASSOCHAM said that it has proposed "One Nation One Stamp Duty " is brought in to ease M&amp;A transactions.</p>
<b>BANKING SECTOR &amp; NBFCs RELATED NEWS</b>	
<b>1.</b>	<p>Need legally-backed "resolution corporation" to deal with stressed financial firms: RBI Governor Shaktikanta Das advocated the creation of a "resolution corporation" with legislative backing for resolution and revival of stressed financial firms. The government in August 2017 had introduced the Financial Resolution and Deposit Insurance (FRDI) Bill in Parliament which, among other things, proposed setting up of a resolution corporation. However, after a year, the government decided to withdraw the bill as there were concerns raised about the protection of depositors' money if it was passed with the controversial "bail-in" clause, under which a bank's liabilities could be cancelled/modified to shore up its finances. "Going forward, we need the legislative backing to have some kind of a resolution corporation, which has to deal with resolution and revival of stressed financial firms," Governor Das said at the 7th SBI Banking and Economics Conclave.</p>

<p><b>2.</b></p>	<p><b>Stressed NBFCs, HFCs seek about Rs 10,000-cr financing support under special liquidity scheme</b></p> <p>The finance ministry on Sunday said financing requests of close to Rs 10,000 crore have been received under the special liquidity scheme worth Rs 30,000 crore for stressed NBFCs and HFCs whose financials further deteriorated due to the COVID-19 crisis. The scheme was launched on July 1. The Reserve Bank of India (RBI) has provided funds for the scheme by subscribing to government-guaranteed special securities issued by a trust set up by SBI Capital Markets Limited (SBICAP). "RBI has also issued a circular to NBFCs and HFCs on July 1, 2020 itself on the Scheme. SBICAP has received 24 applications requesting about Rs 9,875 crore of financing as on July 7, 2020 which are being processed," the finance ministry said in a statement. The first application has been approved and the remaining are also under consideration, it said. The Investment Committee of Special Liquidity Scheme (SLS) Trust has approved investment of up to Rs 200 crore in commercial paper issued by the applicant. Non-banking financial companies (NBFCs) and housing finance companies (HFCs) came under stress following a series of defaults by IL&amp;FS group firms in September 2018.</p>
<p><b>OTHERS</b></p>	
<p><b>1.</b></p>	<p>Technical Guide on Easy Incorporation of Companies Technical Guide on Easy Incorporation of Companies through SPICE+ through SPICE+ was published by ICAI on its official website.</p>
<p><b>2.</b></p>	<p>India urges WTO members to reconsider moratorium on duties on e-commerce India has asked the WTO members to “urgently” reconsider the continuation of the moratorium on customs duties on e-commerce trade as the coronavirus pandemic has demonstrated the importance of retaining the flexibility to regulate such imports. The e-commerce moratorium is nothing short of ‘duty-free, quota-free’ access to digital products of the digitally industrialized members by the rest of the membership, according to the statements delivered by Ambassador and Permanent Representative of India to the WTO at informal open-ended meeting of the General Council on Work Programme of Electronic Commerce held on Tuesday.</p>
<p><b>3.</b></p>	<p>A \$20 billion fund raising spree may take Reliance closer to its dream of becoming a digital giant, further threatening the ambitious plans US companies like Amazon, Walmart and Zoom have for India.</p>
<p><b>4.</b></p>	<p>The Central Government via a notification dated July 15, 2020 has notified Consumer Protection (Mediation) Rules, 2020.</p>
<p><b>5.</b></p>	<p>Most Provisions of Consumer Protection Act, 2019 to come into Force on July 20, 2020</p>



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