

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 35– 24th August to 30th August 2020

1

**Companies Act 2013 during the week
Rules -1; Circulars -0; Notifications-2; Orders-0; Important Notices -0**

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1.	24.08.2020	Rules	Amendment of the Companies (CSR Policy) Rules, 2014 of the Companies Act, 2013.	Pharma sector are allowed to carry on their R&D towards the development of vaccines with the expenditure being covered under the ambit of Section 135 provided the conditions such as collaboration with any of the institute or organisations mentioned in schedule VII and a disclosure of such activities in the Annual Report are fulfilled. Such companies which are engaged in the R&D activities of new vaccines or medical devises in the context of Covid

				19 are covered within the scope of incurring expenditure in the 'normal course of business'
2.	24.08.2020	Notification	Amendment of item no. (ix) in the Schedule VII of the Companies Act, 2013.	Ministry of Corporate Affairs has amended Schedule VII of Companies Act, 2013 to include more entities engaged in research and development and Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) to whom contribution are made will be treated as Contribution for Corporate Social Responsibility (CSR) activities as required under Section 135 of Companies Act, 2013
4.	28.08.2020	Notification	Amendment of Companies (Management and Administration) Rules, 2014, in rule 12(1) on Extract of Annual return in form MGT 9	Companies which have a website and has uploaded Form MGT 9 (Extract of Annual Returns) in their website, need not attach the same in Board's Report.

S. No	NEWS ON MCA
1.	<p><u>ICSI discusses fundamentals of legal framework governing Nidhi Cos</u></p> <p>Institute of Company Secretaries of India (ICSI) on Friday said it has organised a webinar for discussing fundamentals of the legal framework governing Nidhi Companies. The Ministry of Corporate Affairs (MCA) in August 2019 amended the provisions related to Nidhi Companies under the Companies Act to accomplish transparency and investor friendliness in the corporate environment in the country, it said in a press release. "Nidhi is a novel concept that promotes the culture of savings, deposits and loan and acts in the interest of its members, especially the middle class and lower middle class who are availing the benefits from these Nidhi Companies.</p>

2

SEBI during the week

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

S. No	Date of Issue	Act/Rules/Circulars	Subject & Link	Gist thereof
1.	24.08.2020	Master Circular	Master Circular for Mutual Funds	<p>For effective regulation of the Mutual Fund Industry, SEBI has been issuing various circulars from time to time.</p> <p>In order to enable the industry and other users to have an access to all the applicable circulars at one place, Master Circular for Mutual Funds has been prepared.</p> <p>This Master Circular is a compilation of all the circulars issued by SEBI on the above subject, which are operational as on date of this circular.</p> <p>This Master Circular shall supersede the previous Master Circular dated July 10, 2018.</p>

2.	26.08.2020	Press Release	Regulatory measures to continue for ongoing market volatility	On review of the COVID-19 pandemic related situation, it has been decided that the regulatory measures introduced vide SEBI Press Release dated March 20,2020, shall continue to be in force till September 24, 2020.
3.	27.08.2020	Circular	'Grievance Resolution between listed entities and proxy advisers' – Extension of timeline for implementation	SEBI had in August 2020, issued various procedural guidelines for Proxy Advisors which includes formulation of policy on disclosure standards, policy for managing conflict of interest. It also mandated that Proxy Advisors shall clearly disclose in their recommendations the legal requirement vis-a-vis higher standard they are suggesting if any, and the rationale behind the recommendation of higher standards. The aforesaid Circulars were applicable with effect from September 01, 2020, which is now extended to January 01, 2021.

S. No	NEWS ON SEBI
	NIL

3

RBI during the week

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

S. No	Date of Issue	Notifications/Mast er Directors/Master Circulars/Press Release	Subject & Link	Gist thereof
NIL				

S. No	NEWS ON RBI
1.	<p><u>Independent regulator needed for targeted public investment</u></p> <p>The Reserve Bank of India has called for setting up an independent regulator for targeted public investment to revive and crowd in private investment.</p>
2.	<p><u>Set up GST Council type authorities for land, labour, power to reform: RBI</u></p> <p>The Reserve Bank on Tuesday suggested setting up GST Council type apex authorities for land, labour and power to drive structural reforms and expedite implementation of national infrastructure pipeline.</p>
3.	<p><u>Asset reconstruction firms may get SARFAESI boost</u></p> <p>The RBI may tweak certain rules under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act to allow asset reconstruction companies (ARCs) to acquire equity directly in companies sold under the Insolvency and Bankruptcy Code (IBC).</p>

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.	<p><u>Out-of-court M&A deals set to pick up pace on IBC suspension</u></p> <p>India may see more out-of-court merger and acquisition deals for distressed assets with the government suspending the insolvency and bankruptcy process for a year in view of the covid-19 crisis, and with banks under pressure to resolve the bad loans issue, while stretched public finances and the need to revive growth will push the government to seek more divestment options, said advisory Alvarez and Marsal (A&M) in a report titled, Deal Making During Crises: The Indian Experience.</p>

5

Others during the week

NSE-0; BSE-0; DIPP-0; Finance Ministry-0; Others -1;

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

S.No	General News
1.	<p><u>Pre-packaged insolvency resolution framework for MSMEs soon, say officials</u></p> <p>Pre-packaged insolvency resolution framework could make a debut in the micro, small and medium enterprises (MSME) segment before being expanded to other sectors.</p>
2.	<p><u>NCLAT asks NCLT to constitute a two member bench to dispose matter in conformity with SC Directions</u></p> <p>The National Company Law Appellate Tribunal has ordered the National Company Law Tribunal to constitute a bench comprising of a Judicial Member and a Technical Member for disposal of matters in NCLT Indore.</p>



Flat No.7, Door No.10 Madhans,
South Canal Bank Road,
Mandavelipakkam, Chennai 600028.

bhuvana.r@akshayamcorporate.com

www.akshayamcorporate.com Land Line:044-43533080

Office Mobile: 6382254637

The Information Contained herein is of general nature and is not intended to address the circumstances of any particular individual or entity. The views expressed here are solely those of the author in his private capacity. The News items are taken as is provided in various websites and newspapers and the author shall not be held responsible for any of it.