

**WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC**

**Week 36– 31st August to 6th September 2020**

**1**

**Companies Act 2013 during the week**

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

<b>S. No</b>	<b>Date of Issue</b>	<b>Rules/Circular/ Notification/Order</b>	<b>Contents thereof</b>	<b>Gist thereof</b>
1.				

<b>S. No</b>	<b>NEWS ON MCA</b>

2

**SEBI during the week**

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

**Master Circulars-0; Circulars – 1; Press Release –0; Others -1;**

S. No	Date of Issue	Act/Rules/Circulars	Subject & Link	Gist thereof
1.	02.09.2020	Circular	All Trading Members and Clearing Members through Stock Exchanges	<p><b>Regulation 29(4) of SEBI(SAST) Regulation,2011</b></p> <p>The regulation provides for disclosure to be made for shares taken by way of encumbrance shall be treated as an acquisition, shares given upon release of encumbrance shall be treated as a disposal.</p> <p><b>Previous Circular:</b> If clients provide security as collateral for margin purpose the trading members will have to treat is as a pledge and disclosures to be made as per SAST..</p> <p><b>Current circular:</b> Disclosures as specified in regulation 29(4) by a Trading member/Clearing</p>

				member is dispensed off.
2	02.09.2020	Informal Guidance	SEBI (Prohibition of Insider Trading) Regulation 2016 and SEBI (Substantial Acquisition of Shares and Takeover) Regulations 2011	<p>Queries have been responded to by SEBI with reference to provision of law. However following is the view by SEBI apart from the law:</p> <ul style="list-style-type: none"> <li>• Query – Transfer by one individual of promoter group restricts contra trading by promoter group?</li> </ul> <p>Ans: Contra trade restrictions apply to trades made by promoters individually and not the entire promoter group.</p>

S. No	NEWS ON SEBI
1.	<p><b>Ahead of deadline, 90% of brokers aren't ready for new margin framework, says industry body</b></p> <p>Securities and Exchange Board of India (Sebi)'s new norms on margin framework may have an issue with start on 1 September, as at least 90% of members as of 26 August were not ready, have not put the entire system to test and are not confident of going live, as per a survey conducted by broker body Association of National Exchange Members in India (ANMI).</p>

3

**RBI during the week**

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

**Press Release –0;**

<b>S. No</b>	<b>Date of Issue</b>	<b>Notifications/Master Directors/Master Circulars/Press Release</b>	<b>Subject &amp; Link</b>	<b>Gist thereof</b>

S. No	NEWS ON RBI
1.	<p><b>RBI Governor rules out stagflation, suggests another round of growth-supporting measures</b></p> <p>Reserve Bank of India Governor told the Financial Times newspaper that hnk there will be stagflation and that the consumer inflation should moderate and he has also given his view that consumer inflation, going forward, should moderate."</p>
3.	<p><b><u>RBI may propose tweaks to Sarfaesi Act to bridge regulation gap with IBCs for ARCs</u></b></p> <p>The Reserve Bank of India may propose amendments to the Sarfaesi Act to allow asset reconstruction companies (ARCs) to bid for bankrupt companies and infuse equity in them at the resolution stage. The central bank has asked its legal teams to draw up an amendment plan so that ARCs do not back out from buying bankrupt firms and halt the resolution process across sectors, people familiar with the matter said.</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><b>IBBI proposes 2 steps to expedite the corporate liquidation process</b></p> <p>In order to avoid delays in corporate liquidation process the following steps are provided by IBBI: Liquidator to assign 'Not Readily Realisable Assets' (NRRRA) through public auction to third parties and allowing creditors to transfer or assign their debt during the liquidation process to any other person— that will help expedite the liquidation process and complete it within prescribed timelines under IBC.</p>
2.	<p><b>Bankruptcy board defends IBC suspension, says insolvency law not a panacea for all COVID stress</b></p> <p>The Insolvency and Bankruptcy Board of India (IBBI) has hit out at critics of the IBC Ordinance, 2020, saying suspension of the law because of the COVID-19 pandemic is not a setback to insolvency reforms.</p>

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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

S.No	General News
1.	<p><b>K-RERA issues around 400 recovery orders</b></p> <p>The Karnataka Real Estate Regulatory Authority (K-RERA) has issued nearly 400 recovery warrants against builders for not honouring its orders, over the last one and half years. While the issuance of recovery certificates has helped many home-buyers to strike an out-of-court settlement deal, the rate of recovery -- a responsibility of deputy commissioners -- has been poor in almost all cases. The delay has only added to the miseries of buyers who have invested their hard-earned money to buy what they believed would be their dream house.</p>
2.	<p><b>Government to announce affordable rental housing scheme for students</b></p> <p>The students in Gujarat and those coming from other states will be able to avail rental homes at much cheaper rates than the market price. The Gujarat government is all set to announce its new Affordable Rental Housing Complexes (ARHC) scheme in a week or two.</p>
3.	<p><b>Bharti Infratel-Indus Towers merger: Voda-Idea to sell 11.15% stake for Rs 4,000 cr</b></p> <p>Bharti Infratel has decided to proceed with the scheme of arrangement between Indus Towers and Bharti Infratel Limited. As per the agreement, Vodafone Idea will sell 11.15 per cent stake in Indus for Rs 4,000 crore, the company said. New entity, Bharti Infratel and Indus Towers together, will become the largest tower company in the world outside China, with a pan-India tower reach comprising 163,000 towers across 22 telecom service areas.</p>

<b>4.</b>	<b>RERA orders forensic audit of Supernova over project map</b> The Uttar Pradesh Real Estate Regulatory Authority (UP-RERA) ordered a forensic audit of Supertech's Supernova Project in Section 94 and also threatened to revoke the registration of the builder in case of its failure to renew within a month the project map that lapsed last year.
<b>5.</b>	<b>SC Hearing on Loan Moratorium Highlights- Asks banks not to declare accounts as NPAs till further orders</b> The Supreme Court (SC) heard a batch of petitions seeking interest waiver on loan moratorium granted by Reserve Bank of India (RBI).



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