

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 38 – 14<sup>th</sup> September to 20<sup>th</sup> September 2020

1

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

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	17/09/2020	Order	Extension of period of the Company Law Committee <a href="http://www.mca.gov.in/Ministry/pdf/ExtensionNotice_17092020.pdf">http://www.mca.gov.in/Ministry/pdf/ExtensionNotice_17092020.pdf</a>	MCA during September 2019 constituted a Company Law Committee for examining and making recommendations to the Government on various provisions and issues pertaining to implementation of the Companies Act, 2013 and the Limited Liability Partnership Act, 2008. . MCA vide the present order extended the tenure of Committee up to 2 years from the date of order. i.e up to 17.09.2021

<b>S. No</b>	<b>NEWS ON MCA</b>
1	The Companies (Amendment) Act, 2020, was passed by Lok Sabha through voice vote. Bill seeks to decriminalize certain offences under the Companies Act, 2013, in case of defaults but not involving frauds.

2

**SEBI during the week**

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

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

S. No	Date of Issue	Act/Rules/Circulars	Subject & Link	Gist thereof
1	18/09/2020	Press Release	Extension of Timeline for submission of public comments on the Formats for Business Responsibility and Sustainability Reporting <a href="https://www.sebi.gov.in/reports-and-statistics/reports/sep-2020">https://www.sebi.gov.in/reports-and-statistics/reports/sep-2020</a>	SEBI had placed the formats for Business Responsibility and Sustainability Reporting, for public consultation on its website on August 18, 2020, seeking comments by September 18, 2020. In view of the impact of the CoVID-19 pandemic, it has been decided to extend the timelines for seeking public comments to October 18, 2020.
2	17/09/2020	Informal Guidance	Informal Guidance in the case of Lets Venture Advisors LLP <a href="https://www.sebi.gov.in/enforcement/informal-guidance/sep-2020/informal-guidance-sought-by-lets-venture-advisors-llp_47576.html">https://www.sebi.gov.in/enforcement/informal-guidance/sep-2020/informal-guidance-sought-by-lets-venture-advisors-llp_47576.html</a>	SEBI through the informal guidance provides clarity to following queries raised: <b>Query 1</b> Will an LLP be considered as eligible “angel investors” if only partners qualify the angel criteria, but LLP does not meet net worth criteria of Rs. 10 Crores as mentioned.

				<p><b><u>Response</u></b></p> <p>LLP is a distinct person. Thus, if LLP does not meet criteria, it will not be considered as an eligible angel investor, even if partners qualify as ‘angel investors’ in their individual capacity.</p> <p><b><u>Query 2</u></b></p> <p>Can an Angel fund investor waive their rights to confirm the investment prior to it and deemed consent be provided in accordance with contract?</p> <p><b><u>Response</u></b></p> <p>AIF regulations gives rights to Angel investors to provide their approval before any investment made. But there is no provision in AIF regulation which provide for waiver of the said right.</p>
--	--	--	--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

S. No	NEWS ON SEBI
1.	<p><b><u>Sebi says mutual funds can merge multi-cap schemes, or re-position under different category</u></b></p> <p>The Securities and Exchange Board of India (Sebi) on September 13 clarified that multi-cap schemes need not necessarily churn their portfolios by selling largecap stocks or buying smallcaps in multi-cap schemes to meet the new norms, but can also exercise options such as merging schemes with largecap funds, re-positioning them as large- and midcap schemes, or facilitating unitholders' switch to another scheme.</p>
2	<p><b><u>SEBI to empanel Securities Market Trainers (SMARTs) for enhancing Investor Education activities.</u></b></p> <p>SMARTs are expected to conduct Investor Awareness Programs for existing and prospective investors in the securities markets.</p>

3

**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/Press Release	Subject & Link	Gist thereof
NIL				

S. No	NEWS ON RBI
1	<p><b><u>Automation of Income Recognition, Asset Classification and Provisioning processes in banks</u></b></p> <p>In order to ensure the completeness and integrity of the automated Asset Classification (classification of advances/investments as NPA/NPI and their upgradation), Provisioning calculation and Income Recognition processes, RBI has advised banks to put in place / upgrade their systems to conform to the guidelines issued by it, latest by June 30, 2021.</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><u>Rajya Sabha passes amendment in IBC</u></b>            The Rajya Sabha on Saturday passed the Insolvency and Bankruptcy Code (Second Amendment) Bill (IBC), 2020 to ensure that fresh insolvency proceedings will not be initiated for at least six months starting March 25 amid the COVID-19 pandemic. The Bill replaces an ordinance passed in June</p>

5

**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.	24x7 OTP-based cash withdrawal at SBI ATMs (September 16, 2020) State Bank of India (SBI) has decided to introduce OTP-based cash withdrawal for Rs. 10,000 and above throughout the day across all SBI ATMs in the country with effect from September 18, 2020.
2.	<b><u>Delinking of Credit Note/Debit Note from invoice</u></b> Till now, original invoice number was mandatorily required to be quoted by the taxpayers, while reporting a Credit Note or Debit Note in Form GSTR-1 or Form GSTR-6. But now the taxpayers have now been provided with a facility on the GST Portal to Report in their Form GSTR-1 or in Form GSTR-6, single credit note or debit note issued in respect of multiple invoices, Choose the note supply type as Regular, SEZ, DE, Export etc., to identify the table to which such credit note or debit note pertains and many more.

**BANKING SECTOR NEWS**

**1 Lok Sabha passes Banking Regulation(Amendment) Bill, 2020**

The Banking Regulation (Amendment) Bill, 2020 was passed in the Lok Sabha on Wednesday. The bill, moved by Finance Minister Nirmala Sitharaman, seeks to bring cooperative banks under the supervision of the Reserve Bank of India (RBI).

**2 Banks cannot deny copies of account statements to customers, says DRT**

The Debt Recovery Tribunal (DRT) in Chennai has pronounced two major orders. One, banks cannot deny copies of account statements to their customers. Two, in an auction deal, the authorised officer has no power to extend the timeline for payments by the purchaser.



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

[mail@akshayamcorporate.com](mailto:mail@akshayamcorporate.com)

[www.akshayamcorporate.com](http://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.*