

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC
Week 42–12th October 2020- 18th October 2020

1

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

| S. No | Date of Issue | Rules/Circular/ Notification/Order | Contents thereof | Gist thereof |
|-------|---------------|------------------------------------|--|--|
| 1 | 16-10-2020 | Notification | Companies (Prospectus and Allotment of Securities) Amendment Rules, 2020. http://egazette.nic.in/WriteReadData/2020/222511.pdf | Pursuant to the amendment, in the case of Private Placement offer or invitation of any securities to Qualified Institutional Buyers, it shall be sufficient if the company passes a previous special resolution only once in a year for all the allotments to such buyers during the year. |

| S. No | NEWS ON MCA |
|-------|-------------|
| 1. | Nil |

2

SEBI during the week

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

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

| S. No | Date of Issue | Act/Rules/Circulars | Subject & Link | Gist thereof |
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| 1. | | | | 1. |

| S. No | NEWS ON SEBI |
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| 1 | <p>SEBI Issues Process For Debenture Trustees In Case Of Default</p> <p>Markets regulator SEBI came out with a uniform procedure that needs to be followed by debenture trustees in case of default by issuers of listed debt securities. The process also includes seeking consent from the investors for enforcement of security or for entering into an inter-creditor agreement , SEBI said in a circular. The decision has been taken in consultation with stakeholder, including investors, debenture trustees and issuers. Due to the presence of multiple International Securities Identification Number which may have been issued under the same Information Memorandum or a single ISIN which may have been split across multiple IM(s), SEBI said 'event of default' will be reckoned at the ISIN level.</p> |
| 2 | <p>SEBI cautions investors against unsolicited investment tips</p> <p>SEBI says, "All investors and the general public are hereby advised/cautioned not to rely on unsolicited stock tips/investment advice circulated through bulk SMS, websites and social media platforms." "Investors are further advised to exercise appropriate due diligence before dealing in the securities market," SEBI added.</p> |

3

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 |
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| S. No | NEWS ON RBI |
|-------|---|
| 1. | <p>Only Standard Loan Accounts As Of March 1 Can Be Recast Under Moratorium: RBI</p> <p>The Reserve Bank of India (RBI) has clarified that loans which have remained standard without any defaults as of March 1, 2020, will be eligible for restructuring under the pandemic-related resolution framework issued in August. In clarifications to borrowers as well as lenders about the August 6 circular, RBI said a loan account that was due for more than 30 days as on March 1, 2020, but subsequently got regularised, will not be ineligible for resolution under the COVID-19 resolution framework.</p> |
| 2. | <p>Relief on loans up to Rs.2 crore addresses borrowers’ distress, RBI tells Supreme Court</p> <p>The Reserve Bank of India (RBI) has told the Supreme Court that the Centre’s resolve to shoulder the cost of ‘interest on interest’ for MSME loans and personal loans up to Rs.2 crore addresses pandemic-induced financial distress among borrowers. The RBI termed it additional relief. The central bank reasoned that a complete waiver, on the other hand, of compound interest (interest on interest) chargeable during the six-month moratorium would destabilise “broader financial stability” and irreparably dent the banks.</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 |
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| Nil | | | | |

| S.NO | NEWS ON INSOLVENCY AND BANKRUPTCY CODE |
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| 1. | IBBI standardises meetings norms of Disciplinary Committee and Appellate Panel of RVOs with a view to bring uniformity in conducting meetings, the IBBI has come up with directions to be followed by the Disciplinary Committee (DC) and Appellate Panel (AP) of the Registered Valuers Organisations (RVOs) RVOs. The guidelines prescribe that the meeting of DC and AP should be held only if there is an agenda for the meeting. Meetings to be held preferably, through Video Conferencing (VC) facility, keeping in view the current pandemic. |
| 2 | The revised default threshold of ₹1 crore for trigger of corporate insolvency applies prospectively from March 24 and not retrospectively, the National Company Law Appellate Tribunal (NCLAT) has ruled. This would mean that those applications before March 24 which had debt default of less than ₹1 crore, but over ₹1 lakh can be admitted for corporate insolvency process. |
| 3 | The National Company Law Appellate Tribunal (NCLAT), New Delhi held that the lease rentals arising out of use and occupation of a cold storage unit is an 'Operational Debt' |

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 |
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| S. No | GENERAL NEWS |
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| 1. | |
| 2. | |



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

mail@akshayamcorporate.com

www.akshayamcorporate.com; Land Line: 044-43533080

Office Mobile: 6382254637

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