

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 43–19th October 2020- 25th October 2020

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

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	20.10.2020	Circular	Special measures under the Companies Act 2013 and LLP Act 2008 In view of COVID-19 outbreak- Extension http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.36_2010_2020.pdf	MCA earlier notified that Non-compliance of minimum residency in India for a period of at least 182 days by at least one director of every Company shall not be treated as a non-compliance for the financial year 2019-20. This is now extended to financial year 2020-21 also.

S. No	NEWS ON MCA
1.	Nil

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SEBI during the week

**Act -0; Rules -0; Regulations-1; General Orders –0; Guidelines-0;
Master Circulars-0; Circulars – 2; Press Release –0; Others -0;**

S. No	Date of Issue	Act/Rules/Circulars	Subject & Link	Gist thereof
1.	19.10.2020	Amendment	<p>Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2020.</p> <p>https://www.sebi.gov.in/legal/regulations/oct-2020/securities-and-exchange-board-of-india-alternative-investment-funds-amendment-regulations-2020-47914.html</p>	<p>Vide this amendment SEBI has mandated that one of the criteria for registration of AIF is that the key investment team of the Manager of AIF must have 1 Key personnel who has atleast 5 years of wealth management experience and 1 one key personnel who has professional qualification in finance, accountancy, or business management etc.,</p> <p>SEBI also prescribed that Manager is responsible for Investment decisions and it may constitute an investment committee, to approve the investment decisions of the AIF. The committee members shall be equally responsible as the manager for the investment decisions of the AIF</p>

2.	22.10.2020	Circular	<p>Clarification - Handling of SCORES complaints by stock exchanges https://www.sebi.gov.in/legal/circulars/oct-2020/clarification-on-sebi-circular-sebi-ho-oiae-igrd-cir-p-2020-152-dated-13-august-2020-on-investor-grievances-redressal-mechanism-handling-of-scores-complaints-by-stock-exchanges-and-standard-operati-47953.html</p>	<p>SEBI has clarified that in case of failure on the part of the listed entity w.r.t submission of Action Taken Report and payment of fine, the shareholding of the promoters' only shall be frozen by the depositories. Earlier promoter group's shareholding was also covered. Now the shareholding of the promoters' group has been kept out of these consequences</p>
3.	22.10.2020	Circular	<p>Processing of applications for registrations of AIFs and launch of schemes https://www.sebi.gov.in/legal/circulars/oct-2020/processing-of-applications-for-registrations-of-aifs-and-launch-of-schemes-47956.html</p>	<p>As per extant FEMA regulations, an Investment shall be reckoned as indirect foreign investment for the investee entity if the Sponsor or the Manager or the Investment Manager (i) is not owned and not controlled by resident Indian citizens or (ii) is owned or controlled by persons resident outside India. SEBI has sought clarity from Government on the applicability of this provision to investment made by an AIF whose Investment Committee consists of external members who are not 'resident Indian citizens'.</p> <p>SEBI has now announced that the applications for registration for AIF, wherein Investment Committee proposed, includes external members who are not 'resident Indian citizens', shall be considered only after receipt of aforesaid clarification, which is pending now.</p>

S. No	NEWS ON SEBI
1	Sebi steps up effort for 'data culture' in securities market, constitutes panel Stepping up efforts to foster a "data culture" through "data democratization., Sebi set up a committee which will recommend policy measures pertaining to areas like securities market data access and privacy.
2	<p><u>Informal Guidance</u></p> <p><u>Query:</u> As per SEBI LODR, the minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the listed entity. In case for a Company having multiple overseas subsidiaries, will submission of minutes of the Wholly Owned Subsidiaries which includes decision taken by its downstream subsidiaries, meet the aforesaid requirement.</p> <p><u>Guidance:</u> If a listed entity has foreign subsidiaries and such foreign subsidiaries are statutorily required to have the Board and conduct Board Meetings, then the minutes of such Subsidiaries shall be placed before the Board Meeting of listed entity. If such foreign subsidiary is not required to have board/conduct meetings then such subsidiary shall bring to the attention of Board of listed entity, the details of its significant transactions and arrangements.</p>
3	<u>SEBI</u> came out with a framework for creation of a recovery expense fund by an issuer company proposing to list debt securities. The creation of such a fund will enable a debenture trustee to take prompt action for enforcement of security in case of a default.
4	SEBI has clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market

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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	Subject & Link	Gist thereof

S. No	NEWS ON RBI
1.	<p>The Reserve Bank issued final guidelines, including the framework, to set up a self-regulatory organisation for payment system operators as part of its payment and settlement systems vision. The framework will enable the central bank to recognise a self-regulatory organization (SRO) for payment system operators (PSOs). The plan was announced in February 2020 monetary policy.</p> <p>"Interested groups/association of PSOs (banks as well as non-banks) seeking recognition to be an SRO may apply to the chief general manager, department of payment and settlement systems at the RBI," the regulatory circular said.</p>
2.	<p>Reserve Bank of India (RBI) shared final guidelines for housing finance companies (HFC) highlighting that these NBFCs should have at least 60% of their net assets deployed in the business of providing finance for housing by March 31, 2024. RBI notified that any HFC not having 60% of its net assets deployed for housing loans must get 50% of its books utilised for such loans by March 31, 2022, 55%</p>

by March 31, 2023 and 60% by March 31, 2024. Minimum percentage of total assets towards housing finance for individuals during this period should be raised to 40%, 45% and 50%, respectively.
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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	A government-appointed panel to recommend a framework for pre-packaged insolvency under the current insolvency regime in the country is expected to soon submit its report, Sudhaker Shukla, Wholetime Member, IBBI, has said.

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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



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