

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 45 – 02nd November 2020- 08th November 2020

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Companies Act 2013 during the week

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

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

S.NO	NEWS ON MCA
1.	NIL

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SEBI during the week

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

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

S. No	Date of Issue	Act/Rules/Circulars	Subject & Link	Gist thereof
1.	Nov 03, 2020	Circulars SEBI/HO/CFD/DIL1/C IR/P/2020/215	<u>Scheme of Arrangement by listed Entities and (ii) Relaxation Under Sub-rule(7) of Rule 19 of the Securities Contract (Regulation) Rules, 1957</u> <u>https://www.sebi.gov.in/legal/circulars/nov-2020/schemes-of-arrangement-by-listed-entities-and-ii-relaxation-under-sub-rule-7-of-rule-19-of-the-securities-contracts-regulation-rules-1957-48064.html</u>	SEBI vide this circular made certain amendments to existing requirements for processing the draft scheme of arrangement by Stock Exchanges. The amendments inter alia includes the following: <ul style="list-style-type: none"> • Audit Committee in its report should additionally comment on Need for the scheme, rationale, synergies, Impact, Cost Benefit etc., • An Independent Directors Report recommending the scheme to be submitted • Commencement of trading in securities within 60 days (Earlier 45 days) of receipt of the order of the Hon’ble High Court/NCLT • Additional information like contingent liabilities, RPT details, Internal Risk factors, to be disclosed to Stock Exchanges before commencement of trading

S. No	NEWS ON SEBI
1	<p>Sebi in a circular doubled the foreign investment limit per mutual fund house to \$600 million, from the existing \$300 million. \$50 million would be reserved for each mutual fund individually, within the overall industry limit of US \$ 7 billion. Parag Parikh Long term Equity Fund, one of its kind multi cap scheme invests 28% of its total portfolio in international stocks, as on September 30. In the past few months, many mutual fund houses have launched equity schemes with some portion of the total assets allocated towards international stocks. The changes come into force with immediate effect.</p>
2	<p>Markets regulator Sebi came out with a framework for creation of security for listed debt securities and 'due diligence' that needs to be carried out by debenture trustees. The new framework will become effective from January 1, 2021, the Securities and Exchange Board of India (Sebi) said in a circular. In respect of creation of charge of security by issuer, before making the application for listing of debt securities, the issuer will have to create charge as specified in the offer document in favour of the debenture trustee (DT) and also execute debenture trust deed (DTD) with the DT, Sebi said. Stock exchanges have been directed to list the debt securities only upon receipt of a due diligence certificate from DT confirming creation of charge and execution of the DTD. The charge created by the issuer will be registered with the sub-registrar, registrar of companies, depository, among others, as applicable, within 30 days of creation of such charge.</p>

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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
1	02-11-2020	Notification	<p><u>Opening of Current Accounts by Banks - Need for Discipline</u> https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=11990&Mode=0</p>	<p>On 6th August 2020, RBI issued revised instructions on opening of current accounts by banks and advised that banks shall ensure compliance within a period of three months from the date of issue of the circular i.e. by November 5, 2020. Vide this notification RBI mentioned that banks may ensure compliance with the instructions by December 15, 2020.</p>

S. No	NEWS ON RBI
	Nil

4

IBC during the week
Notifications -0; Master Directions –0; Master Circulars –0; Circular –1;
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>Pre-packaged scheme, special rules for MSMEs in amendments to IBC</u></p> <p>The insolvency law committee and a group of ministers are considering various amendments to the four-year-old Insolvency and Bankruptcy Code (IBC), some of which are likely to be introduced in the upcoming Winter Session of Parliament, a senior government official told Business Standard. The issues being taken up on priority by the committee, set up by the Ministry of Corporate Affairs (MCA), include introducing a prepackaged scheme for corporate insolvencies, a special framework for micro, small and medium enterprises (MSMEs), and steps to reduce the delay in admission and disposal of cases.</p>
2.	<p>Delhi High Court allows bank action against guarantor under SARFAESI Act The Delhi High Court today held that Banks/Financial Institutions can initiate and continue the proceedings against the guarantor for recovering their dues under Securitisation and Reconstruction of Financial Assets</p>

and Enforcement of Security Interest Act, 2002. A divisional bench comprising Justice HimaKohli and Justice Subramonium Prasad while pronouncing the judgment noted that “The liability of the principal borrower and the Guarantor remain co-extensive and the respondent/Bank is well entitled to initiate proceedings against the petitioner under the SARFAESI Act during the continuation of the Insolvency Resolution Process against the Principal Borrower.”

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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
NIL				

S. No	GENERAL NEWS
1	<p>Patents (Amendment) Rules, 2020</p> <p>A patentee gets flexibility to file a single Form-27 in respect of single or multiple patents (Related patents) as per the new rules. The time available to patentees for filing Form-27 has been extended to six months, against the current three months, from the expiry of the financial year. There are also important changes with reference to Rule 21 on filing of priority documents. If the priority document is available in WIPO's (World Intellectual Property Organisation) digital library, the applicant would not be required to submit the same in the Indian Patent Office.</p>

2 Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in filing of Form No. 10BB for Assessment Year 2016-17 and subsequent years

The Central Board of Direct Taxes hereby directs that the belated applications in filing of Form No. 10BB

- For years prior to A.Y. 2018-19 - the Commissioners of Income-tax are authorized to admit such applications for condonation of delay and all such applications shall be disposed of by 31.03.2021.
- where there is delay of upto 365 days in filing Form No. 10BB for Assessment Year 2018-19 or for any subsequent Assessment Years, the Commissioners of Income-tax are hereby authorized to admit such belated applications of condonation of delay and decide on merits. The Commissioners of Income-tax shall, while entertaining such belated applications in filing Form No. 10BB, satisfy themselves that the applicant was prevented by reasonable cause from filing such application within the stipulated time.



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