

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

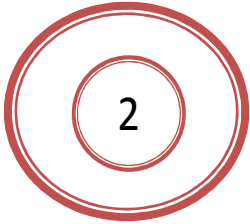
Week 53 – December 31 to January 06, 2019

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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				



SEBI during the week

Act -0; Rules -0; Regulations-5; General Orders – 0; Guidelines- 0;

Master Circulars-0; Circulars – 3; Press Release –0; Others -0

S.No	Date of Issue	Act/rules/circulars..	Subject & Link	Gist thereof
1	31.12.2018	Circular	Physical settlement of stock derivatives	<ol style="list-style-type: none"> 1. It has been decided that physical settlement shall be made mandatory for all stock derivatives. 2. Accordingly, stock derivatives which are presently being cash settled shall move to physical settlement in the following manner: <ul style="list-style-type: none"> • Stocks which are being cash settled shall be ranked in descending order based on daily market capitalization averaged for the month of December 2018. • Based on the ranking arrived at sub-para 3(i)above, the bottom 50 stocks

				<p>shall move to physical settlement from April 2019 expiry onwards, the next 50 stocks from the bottom shall move to physical settlement from July 2019 expiry onwards, and the remaining stocks shall move to physical settlement from October 2019 expiry onwards.</p> <p>3. Derivatives introduced on new stocks, meeting the enhanced eligibility criteria (specified vide circular SEBI/HO/MRD/DP/CIR/P/2018/67 dated April 11, 2018) after the date of this circular, shall also be physically settled.</p>
2	31.12.2018	Regulation	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Third Amendment) Regulations, 2018	<p>An extract along with the amendment has been provided below:</p> <p>Under Chapter V - DISCLOSURE OF SHAREHOLDING AND CONTROL</p> <p>Reg 29. Disclosure of acquisition and disposal</p> <p>For the purposes of this regulation, shares taken by way of encumbrance shall be treated as an acquisition, shares given upon release of encumbrance shall be treated as a disposal, and disclosures shall be made by such person accordingly in such form as may be specified:</p>

				<p>Provided that such requirement shall not apply to a scheduled commercial bank or public financial institution or a housing finance company or a systemically important non-banking financial company as pledgee in connection with a pledge of shares for securing indebtedness in the ordinary course of business.</p> <p>Explanation. - For the purpose of this sub-regulation,</p> <p>A. a “housing finance company” means a housing finance company registered with the National Housing Bank for carrying on the business of housing finance and is either deposit taking or having asset size worth rupees five hundred crores or more; and</p> <p>B. a “systemically important non-banking financial company” shall have the same meaning as assigned to it in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.</p> <p>The text highlighted in red has been inserted.</p>
3	31.12.2018	Regulation	Securities and Exchange Board of (Foreign Portfolio Investors) (Third Amendment) Regulations, 2018	The notification is attached as Annexure 1

4	31.12.2018	Regulation	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2018	The said regulations have been amended and the amendments are attached herewith by way of a separate note (Annexure 2).
5	01.01.2019	Regulation	Securities and Exchange Board of India (Custodian of Securities) (Amendment) Regulations, 2018	The notification is attached as Annexure 3
6	04.01.2019	Regulation	Securities and Exchange Board of India (Issue Of Capital And Disclosure Requirements) Regulations, 2018 [Last amended on December 31, 2018]	The amended regulations as per (4) above have been published on SEBI's official website.
7	04.01.2019	Circular	Disclosures by Stock Exchanges for commodity derivatives	In order to enhance transparency to the public in Commodity Derivatives Markets and also as recommended by Commodity Derivatives Advisory Committee (CDAC), all recognised stock exchanges shall make additional disclosures on their websites with respect to trading in commodity derivatives.
8	04.01.2019	Circular	Acceptance of Probate of Will or Will for Transmission of Securities held in dematerialized mode	1. In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018, succession certificate or probate of will or will or letter of administration or court decree, as may be applicable in terms of Indian Succession

			<p>Act, 1925 has been prescribed as documentary requirement for transmission of securities held in physical mode.</p> <p>2. With regard to transmission of securities held in dematerialized mode, the same is dealt in terms of bye laws of the Depositories. In order to harmonize the procedures for transmission of securities in dematerialized mode with that of transmission of securities in physical mode, it has been decided that transmission of securities held in dematerialized mode shall be dealt in line with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018.</p>
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RBI during the week

Notifications -0; Master Directions –0; Master Circulars – 0; Circular - 1;

Press Release - 0

S.No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	01.01.2019	Circular	Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances	it has been decided by RBI to permit a one-time restructuring of existing loans to MSMEs classified as ‘standard’ without a downgrade in the asset classification, subject to conditions
NIL				

S.No.	IMPORTANT NOTICES - RBI
1	It has been decided by RBI will constitute an Expert Committee on Micro, Small and Medium Enterprises w.e.f 02 nd January 2019.

2	Non-banking finance companies and housing finance companies are likely to see growth halve in the second half of the financial year due to impact on disbursements, intense competition and liquidity squeeze.
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S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1	The committee of creditors to Essar Steel, led by the State Bank of India, has filed an application at the National Company Law Appellate Tribunal (NCLAT) seeking the disposal of the insolvency case within the next three weeks. The committee has appealed to the NCLAT so that it directs NCLT's Ahmedabad chapter to approve the resolution plan. The case has been running for about 500 days, while the maximum stipulated time for the resolution of any case under the Insolvency and Bankruptcy Code is 270 days.
2	Finance Minister Arun Jaitley Thursday said Rs 80,000 crore has been recovered by creditors in 66 cases resolved by NCLT and around Rs 70,000 crore more is likely to be realised by March-end. Accusing the Congress of leaving behind a legacy of an "anachronic system" of resolving commercial insolvency, Jaitley said the NDA government acted swiftly to recover the non-performing loans and legislated the insolvency and bankruptcy code (IBC). In a Facebook post titled 'Two years of Insolvency and Bankruptcy Code', Jaitley said NCLT has become a trusted forum of high credibility.
3	The Mumbai bench of the National Company Law Tribunal (NCLT) has accepted a bid by an unregistered union of the premium apparel brand Reid & Taylor India to take over the firm, stalling liquidation. The committee of creditors had on December 14, 2018 decided to go in for liquidation as no resolution plan was submitted even though it got eight expressions of interest.

S.No.	GENERAL IMPORTANT NOTICES
1	The finance ministry will provide a platform for only 'AAA' and 'AA' rated Central Public Sector Enterprises (CPSEs) to raise funds by way of bond issuance using the debt ETF route.

2	The debt-laden IL&FS group has further put up its properties for sale to garner funds in order to settle loan dues. It has invited bids from interested buyers for properties (commercial and residential) in Mumbai and one in Kolkata.
3	The IL&FS crisis points out to risk to systemic stability from financial conglomerates (FCs) and there is a need for "closer attention" on their oversight framework, the Reserve Bank of India (RBI) said.
4	Subscribers of the retirement fund body EPFO may get an option in the new year to invest more of their savings in equity market, besides a host of other social security benefits and digital tools to manage their funds.
5	The Reserve Bank of India (RBI) has suggested the regulators concerned impose a minimum liquidity limit on fixed-income and liquid fund schemes of mutual funds. The suggestion comes after the IL&FS debt crisis exposed gaps in the mutual fund industry's approach to valuing fixed-income securities.
6	145 small and medium enterprises (SMEs) raised a record Rs 2,455 crore through initial public offerings (IPOs) in 2018, a surge of 37 per cent from the funds raised in the preceding year
7	Amazon, Walmart owned Flipkart and other online marketplaces are likely to seek an extension of the February 1 deadline to comply with recent changes in the foreign direct investment (FDI) rules for ecommerce as it entails overhauling their business model.
8	The Finance Ministry has allowed businesses to claim input tax credit benefit for the first financial year of Goods and Services Tax roll out, till March 2019, provided it matches with the return filed by their suppliers. The deadline for claiming input tax credit (ITC) ended on October 25, 2018.
9	The Personal Data Protection Bill, 2018, is now likely to be introduced in Parliament in June, after the general elections. The Bill sets out how the personal data of individuals is processed by the government and private entities incorporated in India and abroad. The ministry of electronics and IT (MeitY) has sent the draft of the Bill to the law ministry for vetting after making a few changes. The law ministry has sought more time to study the bill and give its feedback.



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