

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

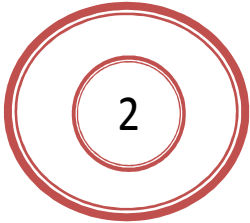
Week 57 – January 28 to February 03, 2019

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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	30.01.2019	Notification	Notification under section 465 of Companies Act, 2013	The Companies Act, 1956 and the Registration of Companies (Sikkim) Act, 1961 (hereafter in this section referred to as the repealed enactments) shall stand repealed.



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	31.01.2019	Circular	Reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by Market Infrastructure Institutions (MIIs)	1. All MIIs shall fill in the AI / ML reporting form in respect of the AI or ML based applications or systems and submit the same in soft copy only to SEBI on a quarterly basis within 15 days of the expiry of the quarter, with effect from quarter ending March 31, 2019.

S. No	NEWS ON SEBI
1	<p>Informal Guidance in the matter of GMR Infrastructure Limited regarding applicability of certain provisions of SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009</p> <p>Clarity was sought on whether issue of unsecured unlisted OCD, tantamount to Preferential issue of Equity shares to which SEBI has answered in the negative thereby ruling that the exemptions under Chapter VII of ICDR regulations would not be available to the company.</p>
2	<p>Informal Guidance in the matter of Jindal Steel & Power Limited in connection with the release of locked-in shares under the proviso of Regulation 78 (6) of SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009.</p> <p>To have a clarity on regulatory requirements with respect to the periodicity of lock-in of pre-preferential holding of the promoters' shares in the case of allotment of warrants convertible into equity shares as well as whether the pre-preferential holdings of the promoters, which were put under lock-in can be released, the company sought an informal guidance from the Securities and Exchange Board of India (SEBI).</p> <p>"The entire pre-preferential allotment shareholding of the allottees, if any, shall be locked in from the relevant date up to a period of six months from the date of trading approval," SEBI said quoting ICDR norms.</p>
3	<p>SEBI has proposed a new set of framework for REITs and InvITs in order to provide flexibility to the issuers in terms of fund raising and increasing the access of these investment vehicles to investors. Under the proposal, minimum allotment and trading lot for publicly issued REITs (Real Estate Investment Trusts) and InvITs (Infrastructure Investment Trusts) will be reduced. Besides, it has been proposed that the leverage limit for InvITs will be increased from existing 49 per cent to 70 per cent.</p>

RBI during the week

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

Press Release – 1

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S.No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	31.01.2019	Press Release	Prompt Corrective Action Framework	On a review of the performance of Public Sector Banks (PSBs) currently under the Prompt Corrective Action Framework (PCAF), it was noted that a few banks are not in breach of the PCA parameters. These banks have provided a written commitment that they would comply with the norms of minimum regulatory capital, Net NPA and leverage ratio on an ongoing basis and have apprised the Reserve Bank of India of the structural and systemic improvements that they have put in place which would help the banks in continuing to meet these commitments.

S. No	NEWS ON RESERVE BANK OF INDIA (RBI)
1	In a bid to prevent big economic offenders like Vijay Mallya and Nirav Modi from fleeing the country, the government has empowered PSU Banks to request lookout circulars (LOCs) against wilful defaulters and fraudsters

S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1	Companies are buying increased insurance to cover liabilities of directors and officers – known as D&O – after the recent growth in the number of such claims in bankruptcy and financial fraud cases.

S.No.	GENERAL IMPORTANT NEWS
1	<p>Budget 2019 - Key Tax proposals</p> <ul style="list-style-type: none"> • Tax rebate for taxable income upto INR 5,00,000 • Standard deduction increased from INR 40,000 to INR 50,000 • Notional rental income exemption upto 2 self-occupied properties • TDS threshold increased for interest income from post office savings and bank deposits from INR 10,000 to INR 40,000 • TDS threshold increased for rent from INR 1,80,000 to INR 2,40,000 • Investment incentive increased from 1 property to 2 properties under section 54 for capital gains upto INR 2 Crores • Time limit for Deduction under section 80IBA has been extended for project approvals till March 31, 2020 • Notional income tax exemption for unsold inventory extended from 1 year to 2 years. • Within 2 years, tax assessment will be done electronically. • IT Return processing in just 24 Hours.



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