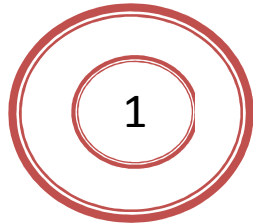


**WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC**

**Week 60 – February 18 to February 24, 2019**



**Companies Act 2013 during the week**

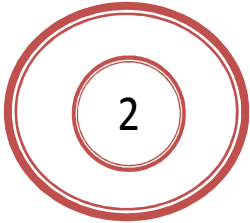
**Rules - 0; Circulars - 1; Notifications – 4; Orders- 0; Important Notices - 0**

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	19.02.2019	Notification	Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2019	In the Companies (Prospectus and Allotment of Securities) Rules, 2014, in the Annexure, in Form PAS 3, against serial number 6, in item (b), the words "not allotted securities with an application size of less than twenty thousand per person" against the second check box shall be omitted.
2	19.02.2019	Notification	Companies (Adjudication of Penalties) Amendment Rules, 2019	The gist of the amended rule (3. Adjudication of Penalties) is as follows:  1. The adjudicating officer shall issue a written notice to the company, the officer in default or any other person, as the case may be, to show cause, within the period specified in the notice (between 15 to 30 days from the date of service thereon), why the

				<p>penalty should not be imposed on it or him.</p> <ol style="list-style-type: none"> <li>2. The notice to clearly indicate the nature of non-compliance or default under the act alleged to have been committed, shall draw attention on the penal provisions and to mention the maximum penalty that can be imposed.</li> <li>3. Reply to such notice shall be filed in electronic mode only within the period mentioned in the notice, subject to extension (not exceeding 15 days) under certain conditions.</li> <li>4. Physical appearance may be required at the opinion of the adjudicating officer.</li> <li>5. The order shall be passed within 30 days where physical appearance is not required and within 90 days where physical appearance is required. In case of delay, adjudicating officer shall provide the reason for delay and such order shall not be considered invalid merely because of expiry of the said period(30 days or 90 days, as the case maybe).</li> </ol>
3	21.02.2019	Notification	Companies (Incorporation) Amendment Rules, 2019.	<ol style="list-style-type: none"> <li>1. Every company incorporated on or before the 31<sup>st</sup>December, 2017 shall file the particulars of the company and its registered office, in e-Form ACTIVE (Active Company Tagging Identities and Verification) <b>on or before 25.04.2019</b>.</li> <li>2. Where a company files "c-Form ACTIVE", <b>on or after 26<sup>th</sup>April 2019</b>, the company shall be marked as "ACTIVE Compliant", on payment of fee</li> </ol>

				<p>of ten thousand rupees".</p> <p><i>The said form shall be available on the MCA Portal with effect from 25<sup>th</sup> February, 2019.</i></p> <p>A detailed note explaining the same has already been shared with you.</p>
4	21.02.2019	Notification	Companies (Region offices and Fees) Amendment Rules, 2019.	<p>Fee for filing e-Form ACTIVE under rule 25A of the companies (incorporation) Rules, 2014:</p> <p>(i) Fee payable till 25.04.2019 on e -form ACTIVE - Nil</p> <p>(ii) Fee payable (in delayed case) – Rs. 10,000</p>
5	21.02.2019	Circular	Extension for last date of filing initial return in MSME Form 1.	<p>The period of 30 days for filing initial return in MSME Form 1 as specified in Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order, 2019 dated 22.01.2019 shall be reckoned from the date the said e-form is deployed on MCA 21 portal.</p> <p>The said Form is yet to be deployed on MCA Portal.</p>

<b>S. No</b>	<b>NEWS ON MINISTRY OF CORPORATE AFFAIRS</b>
1	The government has sought applications from service providers to develop as well as operate the upgraded version of MCA21 system, which is used mainly for submitting filings under the companies law.
2	<p>President Ram Nath Kovind, Thursday promulgated the Banning of Unregulated Deposit Scheme Ordinance which seek to curb the menace of ponzi schemes and make such unregulated deposit scheme punishable.</p> <p>The Ordinance will help put a check on illicit deposit taking activities like Saradha scam and Rose Valley chit fund scam in the country that dupe poor and the financially illiterate of their hard earned savings. The Lok Sabha passed the Bill to this effect on the last day of the budget session by a voice-vote, but the legislation could not get the approval of the Rajya Sabha.</p> <p>Earlier this week, the Cabinet has requested the President of India for promulgation of the Unregulated Deposit Schemes Ordinance, 2019.</p>



### 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	21.02.2019	Circular	Revision in Haircut on Central Government Securities (G-Sec) accepted as Collateral	<p>It has been decided to revise the minimum haircuts applicable to the Central Government securities deposited by clearing members. Accordingly, Para 2 of Annexure -I to the Circular stands modified as far as it relates to the haircut on Central Government Securities, as under</p> <table border="1"> <thead> <tr> <th>S. No</th> <th>Type and Tenor of Securities</th> <th>Haircut</th> </tr> </thead> <tbody> <tr> <td></td> <td>Treasury Bills, and Liquid*Government of India dated Securities having residual maturity of less than 3 years</td> <td>2%</td> </tr> <tr> <td>1</td> <td>Liquid*Govern</td> <td>5%</td> </tr> </tbody> </table>	S. No	Type and Tenor of Securities	Haircut		Treasury Bills, and Liquid*Government of India dated Securities having residual maturity of less than 3 years	2%	1	Liquid*Govern	5%
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	Treasury Bills, and Liquid*Government of India dated Securities having residual maturity of less than 3 years	2%											
1	Liquid*Govern	5%											

					ment of India Dated Securities having residual maturity of more than 3 years		
				2	For all other Semi- liquid*and Illiquid*Govern ment of India Dated Securities	10%	
<p><i>*As jointly decided by clearing corporations</i></p> <p>The classification of the Government of India dated Securities, as above, shall be reviewed on 15<sup>th</sup> of every month. The revision in classification, if any, shall be implemented with effect from 1<sup>st</sup> of the next month.</p>							

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**RBI during the week**

**Notifications -2; 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	22.02.2019	Notification	Harmonisation of different categories of NBFCs	It has been decided that in order to provide NBFCs with greater operational flexibility, harmonisation of different categories of NBFCs into fewer ones shall be carried out based on the principle of regulation by activity rather than regulation by entity. Accordingly, it has been decided to merge the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC).
2	22.02.2019	Notification	Interest Subvention Scheme for MSMEs	Government of India, on November 2, 2018, has announced 'Interest Subvention Scheme for MSMEs 2018'. Small Industries Development Bank of India (SIDBI) is the single national level nodal

				<p>implementation agency for the scheme.</p> <p>The salient features of the scheme are mentioned in the notification.</p>
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<b>S. No</b>	<b>NEWS ON RESERVE BANK OF INDIA</b>
1	<p>The Reserve Bank of India has warned banks of an emerging digital banking fraud that can wipe out a customer's bank balance by using the Unified Payment Interface (UPI) route.</p> <p>The modus operandi is simple: fraudsters get victims to download an app called AnyDesk. Hackers get remote access to the mobile through a nine-digit code generated on the victim's device. "Once a fraudster inserts this app code on his device, he will ask the victim to grant certain permissions, which are similar to what are required while using other apps," RBI said in an advisory.</p>



S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1	State-owned NBCC is seen to be ahead in the race to acquire Jaypee Infratech under the insolvency resolution plan. The public sector construction company has filed a higher financial bid than Suraksha Asset Reconstruction Company, the only other player left in the fray. The bids were opened on Saturday.
2	The stress in corporate India seems to be more deep seated than what is coming out from earnings numbers. A large number of India Inc promoters has been forced to draw loans by pledging their holdings in the company and keep their entities afloat. At the top of the list is the Adani Group where the value of pledged shares is at a mind boggling high level of Rs 35,226 crore with some of the group entities having pledged close to 50 per cent of promoter holding with financial institutions against security for loans. This is followed by the Tata Group, considered a relatively stable enterprise with assured revenue stream. The total value of pledged shares in this case is a high of Rs 19,097 crore.
3	A group of home buyers of Navi Mumbai-based Monarch Developers have filed an intervention application against the builder at the National Company Law Tribunal, which is hearing an insolvency petition against the builder.
4	The board of Infrastructure Leasing & Financial Services will form committees of creditors at asset levels — the special purpose vehicles (SPVs) managing its projects — to assess their outstanding payments. It is also looking to appoint a claim adviser at the group level to coordinate the activity, people familiar with the matter said.
5	Jaiprakash Associates, promoter of stressed realty developer Jaypee Infratech, has once again submitted a proposal to lenders of its subsidiary to settle dues. The latest offer comes in the wake of two separate bids made by state-run construction company NBCCNSE 0.10 % and Suraksha Asset Reconstruction Company.

S.No.	GENERAL IMPORTANT NEWS
1	Foreign investors have put in over Rs 5,300 crore into the Indian equity market in the first half of this month, primarily on account of positive view on the Interim Budget 2019-20
2	<p>The Union Cabinet is likely to consider approval of the second phase of FAME India scheme this month to boost clean mobility, with an outlay of Rs 5,500 crore spanning five years, officials said.</p> <p>The scheme in its second phase will offer a bouquet of incentives, such as exemption from paying road tax, registration fee and parking charges for various categories of electric and strong hybrid vehicles.</p>
3	The government had announced merger of National Insurance Company, United India Insurance Company and Oriental India Insurance Company in the Budget 2018.
4	The Union Cabinet Tuesday approved promulgating an ordinance for companies law amendments to plug gaps in corporate governance and enforcement framework as well as improve the ease of doing business.
5	The government announced a series of changes aimed at freeing investors and entrepreneurs from the so-called angel tax that's roiled India's startup ecosystem. It raised the exemption threshold and kept investments by listed companies of certain minimum size, venture capital funds and non-residents in startups outside the ambit of the tax. The move is expected to bring relief to 16,000 companies that are registered as startups with the Department of Investment and Internal Trade (DPIIT).



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