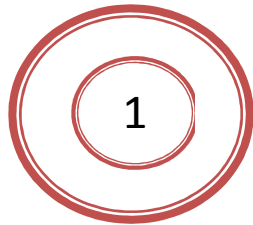


WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 63 – March 11 to March 17, 2019

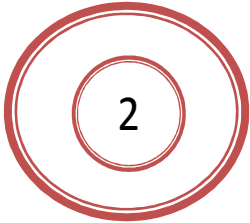


Companies Act 2013 during the week

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	11.03.2019	Circular	Clarification on filing of e-form RD- 1-Conversion of public company into private company and change in a Financial Year-reg.	<p>Difficulties were experienced while making applications for change in a financial year and conversion of public Ltd Co. into private Ltd Co. via e-form RD-1 due to unavailability of revised version of e-form.</p> <p>Hence, MCA has advised Regional Directors (RDs) to process e-form RD-1 for the above referred applications, if 'others' is selected on account of aforesaid two counts, till the revised form is deployed by this ministry. Further, it is also clarified that such applications filed in e-form RD-1 should not be rejected merely on the ground that "others" is selected and "eform is not available", till the revised form is available.</p>

S. No	NEWS ON MINISTRY OF CORPORATE AFFAIRS
1	<p>MCA released National Guidelines on Responsible Business Conduct(NGRBC), which are as follows:</p> <ol style="list-style-type: none"> 1. Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable. 2. Businesses should provide goods and services in a manner that is sustainable and safe. 3. Businesses should respect and promote the well-being of all employees, including those in their value chains. 4. Businesses should respect the interests of and be responsive to all its stakeholders. 5. Businesses should respect and promote human rights. 6. Businesses should respect and make efforts to protect and restore the environment. 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent. 8. Businesses should promote inclusive growth and equitable development. 9. Businesses should engage with and provide value to their consumers in a responsible manner. <p>Further, Detailing on the following has been provided:</p> <ol style="list-style-type: none"> 1. Guidance on adoption of above 2. Guidance on Micro, Small and Medium Enterprises 3. Business Responsibility Reporting Framework Serves as an internal tool for businesses wishing to align themselves with the NGRBC. It should not be seen as a mandatory reporting format as that is the domain of a regulator or law. 4. Business Case Matrix Designed as a tool to map the business benefits of integrating these Guidelines. 5. Guidance for Businesses on using the BRRF as a Self-Assessment Tool. The Business Responsibility Reporting Framework (BRRF) is a tool for businesses to assess how well-aligned they are to the National Guidelines for Responsible Business Conduct (NGRBC), and identify opportunities for improvement.



SEBI during the week

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

Master Circulars-0; Circulars – 4; Press Release –0; Others -0;

S.No	Date of Issue	Act/rules/circulars....	Subject & Link	Gist thereof
1	12.03.2019	Circular	Modification of circular dated December 7, 2018 on Disclosure of significant beneficial ownership in the shareholding pattern	<p>The said circular specified with respect to disclosure of significant beneficial ownership in the shareholding pattern of listed entities. Amendments in the said circular as follows:</p> <ol style="list-style-type: none"> 1. The circular shall be applicable to those listed entities that are reporting companies as per Companies (Significant Beneficial Owners) Rules, 2018, as amended from time to time. 2. The submissions under this circular shall be in line with the requirements specified under Companies (Significant Beneficial Owners) Rules, 2018, as amended from time to time. 3. Format specified in the Annexure to this circular shall replace the format specified in the Annexure to the circular dated December 7, 2018. 4. The circular shall come into force with effect from the quarter ended June 30, 2019.

2	12.03.2019	Circular	Review of Investment by Foreign Portfolio Investors (FPI) in Debt Securities	<p>SEBI and RBI, after mutual consultations, issued Circular reviewing the requirements with regard to investment by FPI in Debt securities. Both the circulars had, inter-alia, mandated that no FPI shall have an exposure of more than 20% of its corporate bond portfolio to a single corporate. To encourage wider access, RBI on February 15, 2019 withdrew with immediate effect the above provision , To give effect to the same, SEBI carried out the below:</p> <ol style="list-style-type: none"> 1. The said provision in SEBI Circular dated June 15, 2018 stands withdrawn with immediate effect. 2. Further, in accordance with Regulation 21(5) of SEBI (FPI) Regulations, 2014, in respect of investments in the debt securities, the FPI shall also comply with terms, conditions or directions, specified or issued by the Board or RBI, from time to time, in addition to other conditions specified in these regulations. 3. Any non-compliance with the requirements prescribed by RBI from time to time with regard to corporate debt securities shall be liable for action in terms of SEBI (Foreign Portfolio Investors) Regulations, 2014.
3	13.03.2019	Circular	SEBI (Delisting of Equity Shares) Regulations, 2015 - Timelines for Counter Offer	<p>Amendments are as follows:</p> <ol style="list-style-type: none"> 1. Promoter(s)/acquirer(s) are allowed to make "Counter offer", in case price discovered through reverse book building is not acceptable to the promoter(s) / acquirer(s). 2. public announcement of counter offer shall also disclose the book value per share of the company.

				<p>3. Letter of offer for counter offer shall be in the abridged form containing the relevant details pertaining to the counter offer inter-alia including details of the counter offer, activity schedule etc</p> <p>“Timelines for Counter Offer Process” is enclosed as per Annexure –A to this circular.</p>
4	15.03.2019	Circular	Clarification on Cyber Security & Cyber Resilience Circular	SEBI has received representations from the stockbrokers with respect to the aforesaid circular. Accordingly, it is clarified that in Para 7, the words “Internal Technology Committee” stands replaced as “Technology Committee”.

S. No	NEWS ON SECURITIES EXCHANGE BOARD OF INDIA
1	<p>Informal Guidance in the matter of M/s Infosys Limited regarding SEBI (Buy-back of Securities) Regulations, 2018 and SEBI (Share Based Employee Benefits) Regulations, 2014.</p> <p>Infosys sought guidance on</p> <p>(a) issuing Grant Letters granting ESOPs to eligible employees during the buyback period</p> <p>(b) Computation of commencement of vesting period.</p> <p>SEBI clarified that</p> <p>(a) The company is restricted to issue shares or specified securities under the ESOP till the date of expiry of buyback period.</p> <p>(b) However, Grant Letters may be issued so long as the conversion of stock options does not take place during the buyback period.</p> <p>(c) The minimum vesting period of one year may be computed from the date of grant of such ESOPs.</p>

RBI during the week

Notifications -2; Master Directions –0; Master Circulars – 0; Circular - 0;

Press Release – 0;

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S.No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	13.03.2019	Notification	Trade Credit Policy – Revised framework	<p>Trade Credit framework based on External Commercial Borrowings (ECB) and Trade Credits through the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 and ECB framework notified earlier, is being issued now.</p> <p>Trade Credits can be raised under the automatic route up to the amount specified in the Annex to this circular and in compliance with the other applicable norms.</p> <p>Any contravention of the applicable provisions will invite penal action or adjudication under the Foreign Exchange Management Act, 1999.</p> <p>The amended Trade Credit policy will come into force</p>

				with immediate effect.
2	15.03.2019	Notification	Reserve Bank of India (Prevention of Market Abuse) Directions, 2019	<p>These Directions are to all persons dealing in securities, money market instruments, foreign exchange instruments, derivatives or other instruments of like nature as the Bank may specify from time to time.</p> <p>Market participants committing market abuse are liable to be denied access to markets in one or more instruments for a period that may not exceed one month at a time. No such action shall be taken by the Bank without providing reasonable opportunity to the market participant to defend its actions. All instances of such action shall be made public by the Bank.</p>

S. No	NEWS ON RESERVE BANK OF INDIA
1	India's central bank is seen curtailing its support for the bond market, dashing hopes of relief for investors reeling under two straight months of declines.
2	The Reserve Bank of India may buy 1.7 trillion rupees (\$24 billion) of debt in the year starting April 1, according to a Bloomberg News survey of traders and economists. That compares with an estimated record 3 trillion rupees spent on such purchases this fiscal period.

S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1	<p>The Insolvency and Bankruptcy Board of India (IBBI) has said that it did not find any contradiction in approvals of resolution for Essar Steel and Binani Cement in the context of "value maximisation".</p> <p>The Ahmedabad bench of National Company Law Tribunal (NCLT) has approved the ArcelorMittal's Rs 42,000 crore resolution plan, rejecting the Ruias settlement offer of Rs 54,389 crore.</p> <p>Recently, in the case of Binani Cement, the Kolkata bench of NCLT approved the resolution plan of UltraTech Cement which was higher than what the Dalmia Bharat group had to offer even after the Committee of Creditors (CoC) earlier selected them as the higher bidder.</p> <p>The case debated a lot on value maximisation in a corporate resolution plan.</p> <p>"In Binani, the one which was approved was within the rules. The one which was rejected was because it was not balancing the interest of the stakeholders," IBBI chairman M S Sahoo told PTI when asked about resolutions of Essar Steel and Binani Cement.</p>
2	<p>Standard Chartered Bank, the third-largest secured financial creditor of Essar SteelNSE 0.00 %, has decided to file an appeal before the National Company Law Appellate Tribunal (NCLAT) against the Ahmedabad bankruptcy court order that last week awarded the asset to ArcelorMittal at the end of marathon insolvency proceedings.</p>
3	<p>The fate of the Rs 70,000-crore Gujarat International Finance Tec-City (GIFT City) hangs in the balance as the new board of Infrastructure Leasing and Finance Services (IL&FS) recently admitted that many of the IL&FS group companies involved in the project, including the joint venture partner — holding company IL&FS — will not be able to pay off their debt to financial creditors.</p> <p>GIFT City Co, which is implementing the GIFT City project in Gandhinagar, is a 50:50 joint venture between IL&FS and the state government-owned Gujarat Urban Development Co (GUDC). The project houses the country's first International Financial Services Centre (IFSC). Of the 880 acres over which the GIFT City project has been envisaged, about 250 acres is earmarked for IFSC.</p>
4	<p>The National Company Law Tribunal (NCLT) has directed the government, regulators, and investigation agencies to clear their stand before the dedicated bankruptcy court decides on the legality of the one-time settlement (OTS) offer of the absconding promoters of Sterling Biotech.</p>

S.No.	GENERAL IMPORTANT NEWS
1	Large overseas fund managers have opposed the Securities and Exchange Board of India (SEBI) proposal to create a central database containing the personal information of all beneficial owners of offshore funds. Such a database held by an external agency in India would violate the law in their home countries, they argue.
2	The Finance Ministry is working out a mechanism under which CPSEs will have to part with a portion of the proceeds of non-core asset sales as dividend to the exchequer. However, proceeds from the non-core asset sales of state-owned companies which are candidates for strategic disinvestment and funds raised through sale of immovable enemy property will be treated as 'disinvestment proceeds'. The Cabinet had approved laying down of procedure for monetisation of non-core assets of Central Public Sector Enterprises (CPSEs), including those which are up for strategic sale. It had also cleared the proposal for sale of immovable enemy property. Niti Aayog has been asked to draw up a list of non-core assets of CPSEs, whether profit-making or loss incurring, for possible monetisation.
3	Indian businesses that paid most of their goods and services tax (GST) liability using input tax credit or reported a significant variation in turnover are being queried by taxmen, a move that has irked industry and prompted it to petition the authorities against such tactics. Tax officials have sent emails seeking information from businesses that paid over 95% of their dues using input tax credit to ascertain the key factors responsible for subdued GST collections.
4	The government has amended the rules governing special economic zones (SEZ) to include value addition earning norms along with the existing positive net foreign exchange earning requirement to setup a unit, and prescribed criteria while renewing its validity. As per the updated rules, the "prescribed value addition earning requirement" will apply in the proposal to setup a unit in an SEZ, besides the positive net foreign exchange earning requirement. The government also said that in case an application is submitted after a period of two months, "reasonableness of the delay shall be examined on the merits and circumstances of the case".
5	India is bracing for a bout of overseas inflow into debt securities with long-term foreign portfolio investors likely to pump in at least \$5 billion this calendar year through the new Voluntary Retention Route (VRR). The offshore money expected through VRR, which offers higher operational flexibility against the commitment of a minimum holding period, will mitigate the risk of rupee volatility, a key catalyst for a stable and investor friendly economy.
6	Online PSB Loans Limited and Kotak Mahindra Bank (Kotak) announced that Kotak is the first private sector bank to join the platform - psbloansin59minutes.com . Kotak will offer loans up to Rs 1 cr to micro, small & medium enterprises (MSME) in India through this platform.
7	Sample this. Since the onset of commercial operations in October 2017, M1xchange, an RBI approved Trade Receivables Discounting System (TReDS) platform, has been witnessing to Rs 1800 crore worth of transactions on its platform. On a similar trail, Invoicemart,

	<p>a digital invoice discounting TReDS platform for MSMEs, discounted an overwhelming 1.4 lakh invoices amounting to Rs 2000 crore since its inception in July 2017.</p> <p>In less than two years of operations, the electronic exchanges have been garnering a lot of interest from all the concerned stakeholders as a means to ease the fund flow for cash starved MSMEs.</p>
8	<p>To help Small and Medium Enterprises (SMEs) in India grow, Standard Chartered, announced that it will be launching an open platform for them -- enabling them access a range of financial and business solutions.</p>



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