

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 14 – April 01 to April 07, 2019

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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	04.04.2019	Circular	CRA-2 – Additional Fee reg.	The last date for filing of e-form CRA-2 without payment of additional fees has been extended upto 31.05.2019 where the company has been mandated to get its cost records audited for the first time.



SEBI during the week

Act -0; Rules -0; Regulations-3; General Orders – 0; Guidelines- 0;

Master Circulars-0; Circulars – 2; Press Release –0; Others -0;

S.No	Date of Issue	Act/rules/circulars....	Subject & Link	Gist thereof
1	29.03.2019	Regulation	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2019	<p>The text highlighted in red are the amendments:</p> <p>Preferential Issue provisions shall not apply where the preferential issue of specified securities is made to the lenders pursuant to conversion of their debt, as part of a debt restructuring scheme implemented in accordance with the guidelines specified by the Reserve Bank of India, subject to conditions.</p> <p>[Explanation. For the purpose of this sub-regulation, “lenders’ shall mean all scheduled commercial banks (excluding Regional Rural Banks) and All India Financial Institutions.]</p> <p>The provisions of Preferential Issue shall not apply</p>

				where the preferential issue of specified securities is made to person(s) at the time of lenders selling their holding of specified securities or enforcing change in ownership in favour of such person(s) pursuant to a debt restructuring scheme implemented in accordance with the guidelines specified by the Reserve Bank of India, subject to conditions. – This provision has been omitted.
2	29.03.2019	Regulation	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2019	Amendments have been made in the general exemptions under the said regulations. Updated Regulations attached herewith for reference.
3	29.03.2019	Regulation	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2019 dated March 29, 2019	<p>The text highlighted in red are the few of the many amendments w e f 1st April 2019:</p> <p>Under Definitions:</p> <ul style="list-style-type: none"> "independent director" means a non-executive director, other than a nominee director of the listed entity: <ul style="list-style-type: none"> (i) to (vii) [(viii) who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director:]

				<ul style="list-style-type: none"> • “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds [ten] percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Explanation.-The listed entity shall formulate a policy for determining ‘material’ subsidiary. <p>Under composition of Board of Directors of a listed entity:</p> <p>Board of Directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent. of the board of directors shall comprise of non-executive directors;</p> <p>[Provided that the Board of directors of the top 500 listed entities shall have at least one independent woman director by April 1, 2019 and the Board of directors of the top1000 listed entities shall have at least one independent woman director by April 1, 2020</p> <p>Explanation: The top 500 and 1000 entities shall be determined on the basis of market capitalisation, as</p>
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				<p>at the end of the immediate previous financial year.]</p> <p>[(c) The board of directors of the top 1000 listed entities (with effect from April 1, 2019) and the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors. Explanation: The top 1000 and 2000 entities shall be determined on the basis of market capitalisation as at the end of the immediate previous financial year.]</p> <p>Under Related Party Transactions,</p> <p>(1)The listed entity shall formulate a policy on materiality of related party transactions and on dealing with related party transactions [including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly]:</p> <p>Explanation. –A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a</p>
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				<p>financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.</p> <p>[(1A) Notwithstanding the above, [with effect from July 01, 2019] a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.]</p>
4	02.04.2019	Circular	<p>Empanelment of Insolvency Professionals (IPs) to be appointed as Administrator, remuneration and other incidental and connected matters under the Securities and Exchange Board of India (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018.</p>	<p>SEBI has issued circular w.r.t appointment of IPs as Administrators to oversee distribution of money to investors.</p>
5	03.04.2019	Circular	<p>Streamlining the Process of Public Issue of Equity Shares and convertibles- Extension of time lime for implementation of Phase I of Unified Payments Interface with</p>	<p>This refers to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, vide which SEBI had introduced</p>

			<p>Application Supported by Block Amount</p>	<p>the use of Unified Payments Interface (UPI) as a payment mechanism with Application Supported by Block Amount (ASBA) for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants), with effect from January 1, 2019.</p> <p>SEBI has decided to extend the timeline for implementation of Phase I of the aforesaid Circular by 3 months i.e. till June 30, 2019. The implementation of Phase II and III shall continue unchanged as per the aforesaid Circular from the date of completion of Phase I as above.</p>
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S. No	NEWS ON SECURITIES EXCHANGE BOARD OF INDIA
1	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 [Last amended on December 31, 2018] has been issued by SEBI on its official website.

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RBI during the week

Notifications -5; Master Directions –0; Master Circulars – 0; Circular - 0;

Press Release – 1;

S.No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	04.04.2019	Press release	Statement on Developmental and Regulatory Policies	This Statement sets out various developmental and regulatory policy measures for strengthening regulation and supervision; broadening and deepening of the financial markets; improving payment and settlement systems; and, promoting financial inclusion.

S. No	NEWS ON RESERVE BANK OF INDIA
1	RBI releases Draft Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2019 under section 45 W of the RBI Act, 1934.
2	RBI to inject Rupee liquidity through long term USD/INR Buy/Sell Swap auction.

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IBC 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
NIL				

S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1	The National Company Law Appellate Tribunal (NCLAT) or the National Company Law Tribunal (NCLT) cannot force the Committee of Creditors (CoC) of Essar Steel India Limited to change the terms of the resolution plan after it has been approved under Section 3 of the Insolvency and Bankruptcy Code (IBC), lenders said in their plea before the Supreme Court.
2	The Power Finance Corporation (PFC) plans fresh resolution of eight stressed power projects, including Essar Mahan's 600 MW plant and GMR Raikheda's 1,370 MW plant following the Supreme Court decision annulling an earlier RBI circular.



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