

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 33 – August 12 to August 18, 2019

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Companies Act 2013 during the week

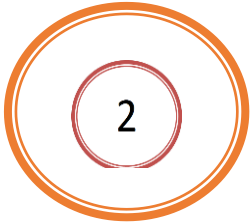
Rules - 0; Circulars - 0; Notifications – 3; Orders- 0; Important Notices - 0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	16.08.2019	Notification	Companies (Share Capital and Debenture) Amendment Rules, 2019	<p>The key change brought about through the amendments to the Companies (Share Capital & Debentures) Rules brings in an enhancement in the previously existing cap of 26% of the total post issue paid up equity share capital to a revised cap of 74% of total voting power in respect of shares with Differential Voting Rights of a company.</p> <p>Another key change brought about is the removal of the earlier requirement of distributable profits for 3 years for a company to be eligible to issue shares with Differential Voting Rights.</p> <p>Alongside the above two changes, another major step</p>

				<p>taken is that the time period within which Employee Stock Options (ESOPs) can be issued by Startups recognized by the Department for Promotion of Industry & Internal Trade (DPIIT) to promoters or Directors holding more than 10% of equity shares, has been enhanced from 5 years to 10 years from the date of their incorporation.</p>
2	14.08.2019	Notification	<p>Commencement Notification Dated 14 August 2019 Companies (Amendment) Act</p>	<p>MCA has notified the following sections 6(<i>Matters to be stated in prospectus</i>), 7(<i>Public offer of securities to be in dematerialised form</i>) and 8 (<i>Civil liability for mis-statements in prospectus</i>), clauses (i), (iii) and clause (iv) of section 14 (<i>Investigation of beneficial ownership of shares in certain cases</i>), section 20 (<i>Constitution of National Financial Reporting Authority</i>), section 31 (<i>Investigation into affairs of Company by Serious Fraud Investigation Office</i>), sections 33 (<i>Application to Tribunal for relief in cases of oppression, etc.</i>), 34 (<i>Powers of Tribunal</i>) and 35 (<i>Consequence of termination or modification of certain agreements</i>) and sections 37 (<i>Petition for winding up</i>) and 38 (<i>Provisions relating to filing of applications, documents, inspection, etc., in electronic form</i>) of the Companies (Amendment) Act, 2019 (22 of 2019) with effect from 15/08/2019.</p>
3	14.08.2019	Notification	<p>Investor Education and Protection Fund Authority</p>	<p>MCA has issued Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund)</p>

			(Accounting, Audit, Transfer and Refund)Second Amendment Rules, 2019	<p>Second Amendment Rules, 2019.</p> <p>The provisions of these rules, Other than rule 6 (i), 6 (iv), 6 (v), 6(vi), 6(vii) and 6 (viii), shall come into force with effect from the 20th day of August, 2019.</p> <p>The provisions of rule 6 (i), 6 (iv), 6 (v), 6(vi), 6(vii) and 6 (viii), shall come into force with effect from the 20th day of September, 2019.</p>
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S. No	NEWS ON MINISTRY OF CORPORATE AFFAIRS
1.	Commencement Notification Insolvency and Bankruptcy Code (Amendment) Act, 2019 dated 16 August 2019.
2	<p>Simplification of process of Incorporation of Section 8 Companies:</p> <p>1) With a view to simplify the process for incorporating Section 8 Companies, requirement of prior filing of INC-12 for new section-8 companies is being dispensed with vide the Companies (Incorporation) Sixth Amendment Rules, 2019 dated 7th June, 2019.</p> <p>2) Henceforth, Section 8 Companies can be incorporated by either reserving names through Run and filing SPICe thereafter or by directly filing SPICe. Licence No for a section 8 company shall henceforth be allotted at the time of incorporation itself.</p> <p>3) In view of the above, all pending INC-12 SRNs for new Companies pending at respective RoCs would be marked as 'Rejected' on 15th August 2019. Such applicants may thereafter directly file SPICe for obtaining License Number and for incorporation of Section 8 Companies.</p> <p>4) Stakeholders who have already obtained License Numbers and are yet to file SPICe form for incorporating Sec 8 companies may do so at their convenience but may please note that the forms shall be processed only after a certain time lag to allow for work flow changes to take effect.</p> <p>5) Those stakeholders who have already filed SPICe forms which are pending at CRC may kindly await processing of these forms after the work flow changes take effect.</p>
3	Form SPICe has been revised on MCA21 Company Forms Download page w.e.f 17 th August, 2019. Stakeholders are advised to check the latest version before filing.



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	16.08.2019	Circular	Parking of Funds in Short Term Deposits of Scheduled Commercial Banks by Mutual Funds – Pending deployment	As per point 5 of SEBI circular dated April 16, 2007, pertaining to investment in Short Term Deposits(STDs)of scheduled commercial banks, pending deployment, it is clarified that Trustees/Asset Management Companies (AMCs)shall ensure that no funds of a scheme is parked in STD of a bank which has invested in that scheme. Trustees/AMCs shall also ensure that the bank in which a scheme has STD do not invest in the said scheme until the scheme has STD with such bank.

S. No	NEWS ON SECURITIES EXCHANGE BOARD OF INDIA
	Nil

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RBI 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 RESERVE BANK OF INDIA
	Nil

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IBC 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	14.08.2019	Circular	Filing of Forms for the purpose of monitoring CIRPs and performance of IPs under the IBC, 2016 and the regulations made thereunder	<p>1. IBC casts a duty on the IBBI and the IPA to monitor performance of IPs, and collect, maintain and disseminate information and records relating to insolvency and bankruptcy processes. It requires the IBBI to perform the following functions, among others, –</p> <p>(a) monitor the performance of IPs and pass any direction as may be required for compliance of the provisions of the Code and the regulations issued thereunder [section 196(1)(g)];</p> <p>(b) call for any information and records from the IPs</p>

				<p>[section 196(1)(h)];</p> <p>(c) collect and maintain records relating to insolvency and bankruptcy cases and disseminate information relating to such cases [section 196(1)(k)];</p> <p>(d) maintain websites and such other universally accessible repositories of electronic information [section 196(1)(n)];</p> <p>(e) issue necessary guidelines to the IPs [section 196(1)(p)]; and</p> <p>(f) conduct periodic study, research and audit of the functioning and performance of the IPs [section 196(1)(r)].</p> <p>2. The Code casts obligations on IPs to forward/submit the following information and records relating to CIRP to the IBBI:</p> <p>(a) all records relating to the conduct of the CIRP and the resolution plan [section 31(3)(b)]; and</p> <p>(b) a copy of the records of every proceeding before the AA [section 208(2)(d)].</p> <p>3. In order to facilitate submission of records and information by IPs to the IBBI as well as for</p>
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				monitoring of the processes and performance of IPs, a set of Forms have been devised and An overview of these Forms, has been annexed to this Circular.
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S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
	Nil

S. No	GENERAL NEWS
	Nil



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