

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 35 – August 26 to September 01, 2019



Companies Act 2013 during the week

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

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
NIL				

S. No	NEWS ON MINISTRY OF CORPORATE AFFAIRS
1.	As per the Companies (Incorporation) Fourth Amendment Rules, 2018 dated 18th December 2018 a new form i.e., 'RD GNL-5' and changes to 'RD-1' have been notified. Both forms would be made available shortly on MCA21 Company Forms Download page for filing purposes. 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.	29.08.2019	Circular	Handling of Clients' Securities by Trading Members/Clearing Members	In SEBI Circular dated June 20, 2019 regarding the captioned subject, the effective deadline for implementation of guidelines prescribed in clause 5(<i>Opening and reporting of Demat Accounts by TM/CM</i>) and clause 8(<i>Date of applicability</i>) of the aforesaid SEBI circular shall be extended by one month. Consequently, the date 'August 31, 2019' in clause 5 of the circular shall be substituted as 'September 30, 2019' and the date 'September 01, 2019' in clause 8 of the circular shall be substituted as 'October 01, 2019'.

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RBI during the week

Notifications -1; 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	30.08.2019	Notification	Amendment to Master Direction on Issuance and Operation of Prepaid Payment Instruments (PPIs)	It is advised that the timeline for conversion of minimum detail PPIs to KYC compliant PPIs has been extended from 18 months to 24 months. The PPI-MD has been amended suitably. It may also be noted that no further extension will be granted for this purpose.

S. No	NEWS ON RESERVE BANK OF INDIA
1	The government liberalised foreign direct investment rules in four sectors including single-brand retail trade and digital media to boost investment in the private sector. Union Commerce Minister Piyush Goyal told that the Union Cabinet, at its meeting chaired by Prime Minister Narendra Modi, had decided to allow 100 foreign investments under the automatic route for coal mining and contract manufacturing. The Cabinet also brought foreign investment rules for the digital media at par with the print media. FDI would be permitted in this sector up to stakes of 26 per cent with approval from the government. It is the easing of stringent local

	<p>sourcing norms stipulated for the single-brand retail sector that could have the maximum and most visible impact. The Cabinet has tweaked the existing rule that requires a company with more than 51 per cent FDI to source at least 30 per cent of its goods from the domestic market.</p>
2	<p>About 275 systemically important non-bank lenders, which would include entities from the Shriram Group and the Bajaj twins, will face tighter central bank scrutiny, particularly on their interlinkages with commercial banks, as Mint Road seeks to ensure greater stability in India's credit landscape.</p> <p>Together, these NBFCs account for 85% of the total assets in the sector, and are at the forefront of ensuring last-mile credit to Indians buying television sets, air conditioners, home gadgets, or cars. NBFCs constitute around 12% of the total assets in the banking and non-banking space.</p>

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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	26.08.2019	Circular	Applicability of the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2019 notified on 25th July, 2019	It is reiterated that the provisions of the Amendment Regulations are not applicable to the liquidation processes, which had commenced before coming into force of the said Amendment Regulations and that they are applicable only to liquidation processes, which commenced on or after 25th July, 2019.

S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1	Synergy Group Corp, a South American conglomerate that owns majority shares in airlines including Colombian carrier Avianca Holdings, has shown exploratory interest in investing in Jet Airways. The conglomerate submitted an expression of interest for the bankrupt and grounded airline after the August 10 deadline set by the resolution professional running the bid process. The RP, Ashish Chhawchharia of Grant Thornton, will seek approval from the committee of Jet’s creditors to include Synergy in the race.
2	Reliance Communications has asked Ericsson to refund Rs 579.74 crore that the bankrupt telco had paid it, saying the Swedish telecom equipment maker had to be treated on a par with other operational creditors. It also said the money paid must be returned because the insolvency resolution process that Ericsson had initiated against RCom had resumed. The demand may resurrect a legal

	battle and delay the insolvency process, given that the payment by RCom was made on Supreme Court's directions.
3	<p>The NCLT has initiated insolvency proceedings against NCR-based real estate firm Today Homes Noida Ltd on a petition filed by a group of homebuyers. A two-member NCLT bench, headed by President Justice M M Kumar, has appointed an interim resolution professional (IRP) to take over the management of the company.</p> <p>There are many companies in Delhi-NCR which are facing insolvency proceedings, including Jaypee Infratech, because of default to home buyers and bankers.</p> <p>The tribunal rejected the submission of the real estate firm that it has got four-year extension from UP Real Estate Regulation Authority (RERA) to complete the project, saying that Insolvency and Bankruptcy Code (IBC) overrides provisions under the realty law.</p>
4	<p>In the first case after the Insolvency and Bankruptcy Code was amended and later upheld by the Supreme Court to give homebuyers the status of financial creditors, National Company Law Tribunal has initiated insolvency proceedings against a real estate company on a homebuyer's petition.</p> <p>The tribunal has invoked IBC against Delhi-based real estate company, Umang Realtech Ltd, after it failed to deliver possession of a flat to the homebuyer couple who had invested around Rs one crore in 2012 in its Gurugram project— Winter Hills 77— and was assured to get the flat by end of 2015. As the company failed to deliver the flat even by 2018, the couple filed a petition in the tribunal for refund of their money with interest.</p>

S. No	GENERAL NEWS
1	The government will soon consider a proposal of relaxing rules for complying with the mandatory 30 per cent local sourcing norms by foreign single brand retailers. As per the proposal, single-brand retail firms would also be permitted to open online stores before setting up brick-and-mortar shops. Currently, online sale by a single-brand retail player is allowed only after opening of physical outlet.
2	The government has embarked on an exercise to estimate the contribution of unincorporated enterprises to India's economic growth. The Ministry of Statistics and Programme Implementation plans to annually survey trusts, self-help groups, non-profit institutions, and proprietary and partnership enterprises excluding Limited Liability Partnerships in manufacturing, trade and other services, as against two surveys done five years apart in 2011 and 2016. The first annual survey will begin from October 1.
	The National Company Law Tribunal cleared the sale of IL&FS's seven wind energy assets to Japan's Orix Corporation for Rs 4,800 crore, which will partially help reduce its debt burden of over Rs 99,000 crore. The tribunal comprising of VP Singh and Rajesh Sharma allowed the government-appointed board's plea to approve sale of 51 percent stake in seven wind energy arms to Orix.



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