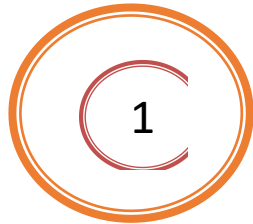


WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 37 – September 09 to September 15, 2019

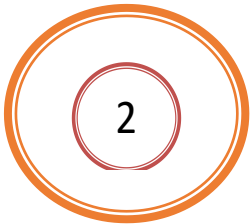


Companies Act 2013 during the week

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.	SPICe form containing relevant changes for incorporating Nidhi Companies was likely to be deployed (12th Sep 2019) for filing purposes. Stakeholders may kindly take note and download latest form before filing.
2.	Costing Taxonomy 2019 to cater to the annual filing of CRA-4 (Cost audit report) for FY 2018-19 is under development. The companies which are required to file CRA-4 (Cost audit report) for FY 2018-19 are required to use Costing Taxonomy 2019 only. Those who have already filed CRA-4 (Cost Audit Report) using the existing Costing Taxonomy 2015 for FY 2018-19 are NOT required to file afresh. However, those companies which are yet to file their Cost Audit Reports are requested to await deployment of Costing Taxonomy 2019 on MCA21 portal. Once the Costing Taxonomy 2019 is deployed, sufficient time would be given for filing CRA-4 without levying additional fee. Stakeholders may kindly take note and plan accordingly.



SEBI during the week

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

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

S. No	Date of Issue	Rules/Circular/ Notification/Order	Subject & Link	Gist thereof
1	13.09.2019	Circular	Additional commodities as Eligible Liquid Assets for Commodity Derivatives Segment	<p>All commodities to be accepted as collateral should be of same quality specification which is deliverable under the contract specification of commodity derivatives being traded on the Exchange.</p> <p>All other extant provisions with regard to Liquid Assets shall continue to be in force.</p>
2	12.09.2019	Circular	Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957	<p>UNPAID DUES REPORT</p> <ol style="list-style-type: none"> a. All listed entities shall ensure that all dues to, and/or fines/penalties imposed by SEBI, Stock Exchanges and the Depositories have been paid/settled before filing the draft scheme with the designated stock exchange. b. In case of unpaid dues / fines / penalties, the listed entity shall submit to stock exchanges a

				<p>‘Report on the Unpaid Dues’ which shall contain the details of such unpaid dues in the format given in Annexure B to this Circular, prior to obtaining Observation Letter from stock exchanges on the draft scheme.</p> <p>c. The report on unpaid dues as mentioned above, shall be submitted by listed entity to the stock exchanges along with the draft scheme</p> <p>Any misstatement or furnishing of false information with regard to the said information shall make the listed entity liable for punitive action as per the provisions of applicable laws and regulations.</p> <p>The ‘Unpaid Dues Report’ shall be forwarded by the Stock Exchanges to SEBI before SEBI communicates its comments on the Draft Scheme to the Stock Exchanges. Such report shall be submitted as per the format specified at Annexure B to this circular.</p>
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S. No	NEWS ON SECURITIES EXCHANGE BOARD OF INDIA
1.	The Securities and Appellate Tribunal (SAT) quashed an earlier order of Securities and Exchange Board of India (SEBI) to ban Price Waterhouse, an affiliate firm of PwC India, from auditing listed companies for two years due to its role in Satyam fraud about a decade back.
2	Capital markets regulator SEBI levied a total fine of Rs 12 lakh on ICICI Bank Ltd and its compliance officer for disclosure lapses, including delayed disclosure of binding agreement signed with Bank of Rajasthan. The regulator during an investigation found that a "binding implementation agreement" was signed between ICICI Bank and Bank of Rajasthan on May 18, 2010 in order to procure cooperation and support of dominant shareholders of Bank of Rajasthan to effect the proposal of its amalgamation with the private lender. The probe revealed that ICICI Bank failed to disclose the information regarding signing of the binding agreement to the stock exchanges in a timely manner.

3

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
1	RBI releases “Draft Guidelines for ‘on tap’ Licensing of Small Finance Banks in the Private Sector”.

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IBC during the week

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

Press Release – 3;

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	13.09.2019	Press Release	Expression of Interest under Guidelines for Appointment of Insolvency Professionals as Administrators under the Securities and Exchange Board of India (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018	<p>The Insolvency and Bankruptcy of India has released the said Guidelines on 12th September 2019.</p> <p>In terms of the said Guidelines, the Board shall prepare a Panel of Insolvency Professionals (IPs) for appointment as Administrator and share the same with the Securities and Exchange Board of India (SEBI). For this purpose, the Board shall invite expression of interest (EOI) from IPs, by the specified date, in Form A (enclosed in the circular for reference, to be filed online) by sending an e-mail to IPs at their email addresses registered with the Board.</p> <p>Accordingly, an e-mail has been sent to the ID registered with the Board, seeking EOI for appointment as an Administrator during the period 1st October 2019 to 31st March 2020 (6 months) as per said guidelines.</p>

				In this connection, it is advised that EOI to act as an Administrator be submitted through online mode only by accessing https://www.ibbi.gov.in/users/login which shall be available till 20th September 2019.
2.	12.09.2019	Press Release	Guidelines for Appointment of Insolvency Professionals as Administrators under the Securities and Exchange Board of India (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018	The IBBI and the SEBI have mutually agreed upon to use a Panel of IPs for appointment as Administrators for effective implementation of the Regulations. The IBBI shall prepare a Panel of IPs keeping in view the requirements of SEBI and the Regulations and the SEBI shall appoint the IPs from the Panel as Administrators, as per its requirement in accordance with the Regulations. A Panel shall be valid for six months and a new Panel will replace the earlier Panel every six months. For example, the first panel under these Guidelines will be valid for appointments during October - March, 2020, the next panel will be valid for appointments during April- September, 2020, and so on.
3.	11.09.2019	Press Release	Cancellation of "Request for Proposal for Appointment of Consultants for Providing Accounting Support and Related Services to IBBI"	Due to administrative reasons, the "Request for Proposal for Appointment of Consultants for providing Accounting Support and Related Services to IBBI" has been cancelled. The revised Request for Proposal (RFP) will be published on IBBI's website shortly. The EMDs received are being returned by Speed Post.

S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1	JSW Steel chairman Sajjan Jindal said his company will approach a higher court to seek immunity against claims arising from alleged money-laundering frauds at Bhushan Power and Steel (BPSL), a steelmaker in administration that Jindal has offered to buy for Rs 19,700 crore.

	<p>“We want a neat and clean company, and we don’t want any confusion,” Jindal.</p> <p>“We as a resolution applicant had offered this value under certain conditions. The NCLT order has modified the plan in ways that can have an impact on the viability of the plan,” Jindal said. “We will go for judicial intervention to make sure our conditions are approved.”</p>
2	<p>The National Company Law Appellate Tribunal (NCLAT) has held that an application for initiation of corporate insolvency resolution process under Sections 7 and 9 of the Insolvency and Bankruptcy Code will be maintainable against a Corporate Debtor even if its name has been struck off from the Register of Companies (RoC).</p> <p>The NCLAT also held that in terms of Section 248 (5) of the Companies Act, 2013 the Adjudicating Authority i.e NCLT is empowered to restore the Company's name, as well as the positions held by the officers in the Company, for the purpose of initiation of insolvency proceeding under Sections 7 and 9. However, such an application has to be filed within twenty years from the date of the removal of the Company's name from the Register.</p>

S. No	GENERAL NEWS
1	A total of 2,480 cases of fraud involving a huge sum of Rs 31,898.63 crore rattled 18 public sector banks in the first quarter of this fiscal, an RTI query has revealed. The country's largest lender State Bank of India (SBI) remained the biggest prey to frauds with 38 per cent share, Neemuch-based activist Chandrashekhar Gaur told quoting an official of the RBI who furnished him replies to his RTI application.
2	State-owned Punjab National Bank (PNB) has put up for sale nearly a dozen non-performing assets (NPA) to recover dues of more than Rs 1,234 crore. The lender has invited bids from asset reconstruction companies (ARCs)/ NBFCs/ banks/ financial institutions for 11 NPA accounts. The accounts include Visa Steel, which has irrecoverable dues of Rs 441.83 crore, IndBarath Energy (Utkal) Rs 414.23 crore, Aster Pvt Ltd Rs 113.57 crore and Om Shiv Estates Rs 100.16 crore.
3	The government is working on an Alibaba-like e-marketplace for micro, small and medium enterprises (MSMEs) which is expected to bring a turnover of around Rs 10 lakh crore over the next two to three years, Union MSME minister Nitin Gadkari said. “We are developing an e-market portal like Alibaba. We will call it Bharat Craft.
4	A patent right will rest with the academic institution if a student, researcher or faculty member has used its resources and funds for developing a product, according to draft guidelines floated by the government on the implementation of IPR policy for academic institutions.
5	The goods and services tax (GST) regime and the Insolvency and Bankruptcy Code (IBC) are locked in a seemingly intractable impasse, entangling companies undergoing resolution. Some are planning to take the indirect tax department to court over the issue. The GST software doesn’t allow companies to pay current or future taxes without clearing dues from earlier years. But under IBC, the tax department has to wait until all creditors get their dues before beginning recovery.
6	Instances of wilful attempt to evade tax, failure to furnish return of income and not remitting TDS in the government exchequer up to the limit of Rs 25 lakh will not be ordinarily filed for criminal prosecution before a court by the taxman, a latest CBDT circular said. The directive is being seen as a major move to cut down tax litigation and will save a number of assesseees from legal proceedings.

7	The government is considering a fund that will provide guarantees for those who won't otherwise be eligible for a housing loan, allowing them to borrow funds to acquire a home, said a senior finance ministry official. It's being envisaged as part of a package being prepared by the government to help the housing sector, which is burdened by heavy debt, stalled projects and unsold homes.
8	The all-powerful GST Council is set to discuss a proposal to exempt small businesses with annual turnover of less than Rs 2 crore from filing annual returns. Senior officials said that despite three extensions for filing the returns, the number has been unsatisfactory. It is ranging from 25-27 per cent despite extension of deadlines. The GST Council will discuss the issue in its meeting on September 20.
9	A day after Moody's Investors Service cautioned reduced refinancing options for MSMEs on the back of non-banking financial companies (NBFCs) and housing finance companies (HFCs) pulling back on their exposure to MSMEs against property that is likely to cause loan delinquencies and defaults, NBFCs in India have said that the situation will further worsen unless the Reserve Bank of India takes appropriate steps to bail them out. "The bad is yet to be seen because the market is shrinking and liquidity crunch is increasing. Lending by NBFCs to MSMEs is yet to hit bottom," Rajiv M Ranjan, Secretary, Association of NBFC P2P Platforms told.



Flat No.7, Door No.10 Madhans,
South Canal Bank Road,
Mandavelipakkam, Chennai 600028.

mail@akshayamcorporate.com

www.akshayamcorporate.com; Land Line: 044-43533080

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