

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 41 – October 07 to October 13, 2019

1

Companies Act 2013 during the week

Rules - 0; Circulars - 0; Notifications – 2; Orders- 0; Important Notices – 0;

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	11.10.2019	Notification	Companies (Meetings of Board and its Powers) Amendment Rules 2019	In the Companies (Meetings of Board and its Powers) Rules, 2014, in rule 11 ( <i>Loan and investment by a company under section 186 of the Act</i> ), in sub-rule (2), for the words “business of financing of companies”, the words “business of financing industrial enterprises” shall be substituted.
2	11.10.2019	Notification	MCA has issued notification for amendment in the Schedule VII (CSR Activities)	Under activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to, <b>clause ix</b> (erstwhile clause) has been expanded (substituted clause) as below:  <b>Erstwhile clause:</b>

				<p><i>(ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.</i></p> <p><b>Substituted clause:</b></p> <p><i>ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);</i></p>
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<b>NEWS ON MINISTRY OF CORPORATE AFFAIRS</b>	
<b>S. No</b>	
1	Form NDH-4 (Form for filing application for declaration as Nidhi Company and for updation of status by Nidhis) notified vide the Nidhi (Amendment) Rules 2019 dated 1st July 2019 shall be available for filing w.e.f 11th October 2019'. Stakeholders may please take note and plan accordingly.



### SEBI during the week

**Act -0; Rules -0; Regulations-0; General Orders – 0; Guidelines- 0;  
Master Circulars-0; Circulars – 1; Press Release –1; Others -0;**

S. No	Date of Issue	Act/rules/circulars....	Subject & Link	Gist thereof
1	07.10.2019	Press Release	SEBI Chairman meets investors and other stakeholders in USA	<p>Chairman, SEBI during the meetings briefed the participants on the key aspects, trends and recent developments in the India economy from a broader perspective and on Indian capital markets, in particular. The achievements of both Indian primary markets and secondary markets were brought out in the meetings. The achievements which were emphasized included more than \$120 bn raised through equity and debt in each of the last two years, market capitalization of Indian listed companies being in the top 10 global markets, Indian stock exchanges ranked in top 10 in number of contracts in equity derivatives, etc.</p> <p>Discussions were also held on recent policy measures taken by SEBI relating to various areas</p>

				<p>such as FPIs, Primary Market, Secondary Market, Mutual Funds, Corporate Bond Market, etc. The participants were keen on emerging areas such as REITs and InvITs which have more than \$10 bn asset size as on today. Several participants also showed interest in the Alternative Investment Fund space with its relaxed foreign investment norms wherein the investments had multiplied by more than 15 times in the last 5 years. Investment opportunities for foreign investors in the aforesaid areas as well as Infrastructure projects, stressed assets, CPSEs proposed for divestment by Government, GIFT IFSC, etc. were brought out. There were also detailed discussions on upcoming regulatory measures relating to Frameworks for issuing Depository Receipts, direct listing of Indian equities abroad, Regulatory Sandbox, etc. The increasing number of registrations of FPIs every year signifies the sustained interest of the foreign investors in the Indian capital markets. Considering that about one third of the total assets of around \$450 bn under custody of FPIs in India are from USA based FPIs, the importance of US investments into India was emphasized especially taking into account the growing partnership between the two countries.</p>
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2	10.10.2019	Circular	Framework for issue of Depository Receipts	<p>Only 'a company incorporated in India and listed on a Recognized Stock Exchange in India' ('Listed Company') may issue Permissible Securities or their holders may transfer Permissible Securities, for the purpose of issue of Depository Receipts ('DRs'), subject to compliance with the following heads, elaborated in the circular:</p> <ol style="list-style-type: none"> <li>1. Eligibility</li> <li>2. Permissible Jurisdictions and International Exchange</li> <li>3. Obligations of listed company</li> <li>4. Permissible holder</li> <li>5. Voting Rights</li> <li>6. Pricing</li> <li>7. Obligations of Indian Depository, Foreign depository and Domestic Custodian</li> </ol>
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**RBI during the week**

**Notifications - 2; 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	07.10.2019	Notification	Expanding and Deepening of Digital Payments Ecosystem	It has been decided that all State/ UT Level Bankers Committees (SLBCs/ UTLBCs) shall identify one district in their respective States/ UTs on a pilot basis in consultation with banks and stakeholders. The identified district shall be allotted to a bank having significant footprint which will endeavour to make the district 100% digitally enabled within one year, in order to enable every individual in the district to make/ receive payments digitally in a safe, secure, quick, affordable and convenient manner. This would, inter alia, include providing the necessary infrastructure and literacy to handle such transactions.

2	11.10.2019	Notification	Revision in Proforma and Reporting of Bank / Branch details under the Central Information System for Banking Infrastructure (CISBI)	<p>A new reporting system, viz., Central Information System for Banking Infrastructure (CISBI) (<a href="https://cisbi.rbi.org.in">https://cisbi.rbi.org.in</a>), has been web-deployed to replace the legacy MOF system.</p> <p>Under the new system, all co-operative banks are required to submit their information in a single Proforma (Annex-I) online on CISBI portal, as compared with the earlier system of submitting Proforma-I &amp; Proforma-II separately through e-mail. The instructions for submission of new Proforma online are given in Annex-II of the Notification. All the past information reported by banks has been migrated to CISBI and additional information should be reported in CISBI henceforth.</p>
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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	Invitation of public views / suggestions has been made on the Institutional framework for regulation and development of Valuation Professionals.
2	Cane farmers belonging to three organisations have demanded that an amendment be made in the Insolvency and Bankruptcy Code (IBC) to change the status of cane growers from operational creditors to priority creditors. They wanted the proposed change to be made with retrospective effect — from 2016 when the IBC came into force.



S. No	GENERAL NEWS
1	<p>Two years after its launch, the Centre has begun the biggest review of goods and services tax (GST) — including a possible resetting of rates along with a scrutiny of the slabs — to tone up collections and plug leakages.</p> <p>The task has been assigned to a 12-member committee of state and central government officials to “augment GST collection and administration”. The panel was set up a day before the PMO leads consultations with state chief secretaries, where states would be urged to push for improved collections.</p>



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