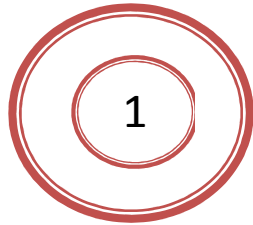


WEEKLY UPDATES ON COMPANY LAW,SEBI AND RBI

Week 50 –December 10 to December 16, 2018

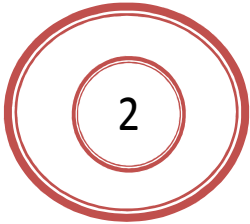


Companies Act 2013 during the week

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

S.No	Date of Issue	Rules/Circular/ Notification/order	Contents thereof	Gist thereof
1	10.12.2018	Circular	Relaxation of additional fees and extension of last date of filing of CRA-4 (Cost Audit Report in XBRL format)	It has been decided to relax the additional fees payable by companies on CRA-4 (Cost Audit Report in XBRL format) upto 31.12.2018, wherever additional fee is applicable.
2	13.12.2018	Circular	Extension of Last Date of filing of Forms NFRA-1	The matter has examined and it is stated that the time limit for filing Form NFRA-1 will be 30 days from the date of deployment of this form on the website of Ministry/ National Financial Reporting Authority (NFRA) for all bodies corporate governed by the said rule (excluding companies as defined under sub-section (20) of section 2 of the Companies Act, 2013,

				which are not required to file this Form).
3	-	Important Notice	-	Form GNL-1 is likely to be revised on MCA21 Company Forms Download page w.e.f 7th December, 2018. Stakeholders are advised to check the latest version before filing.
4	-	Important Notice	-	Form CSR is likely to be revised on MCA21 Company Forms Download page w.e.f 14th December, 2018. 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 – 2; Press Release –1; Others -0

S.No	Date of Issue	Act/rules/circulars..	Subject & Link	Gist thereof
1	14.12.2018	Circular	Cyber Security Operations Center for the SEBI registered intermediaries	<p>With the view to further strengthening cyber security in securities market the Cyber Security and Cyber Resilience framework has been extended to Stock Brokers/ Depository Participants vide circular SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018</p> <p>During the discussions held with the market participants, it was gathered that compliance with the cyber security guidelines may be onerous for smaller intermediaries because of the lack of knowledge in cyber security and also the cost factor involved in setting up own</p>

				Security Operations Center (SOC).These intermediaries may utilize the services of Market SOC which is proposed to be set up by MIIs with the objective of providing cyber security solution to such intermediaries. The intermediaries' membership in Market SOC is non mandatory.
2	13.12.2018	Circular	Clarification on clubbing of investment limits of Foreign Portfolio Investors ("FPIs")	<p>It is clarified that:</p> <ol style="list-style-type: none"> 1. Clubbing of investment limit for FPIs will be on the basis of common ownership of more than 50% or based on common control. However, clubbing of investment limit of FPIs having common control shall not be done in case of <ol style="list-style-type: none"> (a) FPIs which are appropriately regulated public retail funds or (b) FPIs which are public retail funds majority owned by appropriately regulated public retail fundson look through basis or (c) FPIs which are public retail funds and investment managers (IMs) of such FPIs are appropriately regulated. 2. In case, two or more FPIs including foreign Governments/ their related entities are having direct or indirect common ownership of more than 50% or

				<p>control, all such FPIs will be treated as forming part of an investor group and the investment limits of all such entities shall be clubbed at the investment limit as applicable to a single foreign portfolio investor.</p> <ol style="list-style-type: none"> 3. In cases where Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, SEBI may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it. 4. The investment by foreign Government agencies shall be clubbed with the investment by the foreign Government/ its related entities for the purpose of calculation of 10% limit for FPI investments in a single company, if they form part of an investor group. 5. The investment by foreign Government/ its related entities from provinces/ states of countries with federal structure shall not be clubbed if the said foreign entities have different ownership and control.
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				<p>6. In respect of any breach of the investment limit mentioned above, the FPI's shall have the following two options:-</p> <ul style="list-style-type: none"> i. FPI in breach shall have to divest its holding within five trading days from the date of settlement of the trades to bring its shareholding below 10% of the paid up capital of the company, or, ii. The said investments shall be treated as Foreign Direct Investment from the date of breach. <p>The necessary amendments in SEBI (Foreign Portfolio Investors) Regulations, 2014 will be notified separately.</p>
3	12.12.2018	Press Release	SEBI Board Meeting	<p>SEBI in its meeting held in Mumbai took the following decisions:</p> <ul style="list-style-type: none"> 1. Creation of Segregated Portfolio by Mutual Funds 2. Review of framework for Institutional Trading Platform 3. Clubbing of investment limits for Foreign Portfolio Investors (FPIs) 4. Amendment to SEBI (Issue of Capital and

				<p>Disclosure Requirements) Regulations, 2018</p> <p>5. Amendment in Regulation 29(4) of Takeover Regulations, 2011</p> <p>6. Review of framework for Offer for Sale (OFS) of shares through Stock Exchange mechanism</p> <p>7. Role of Custodians in Commodity Derivatives Market to enable institutional participation</p> <p>8. Consultation Paper on Uniform Valuation Methodology for Pricing of Corporate Bonds</p>
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RBI during the week

Notifications -0; 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	12.12.2018	Press Release	Shri Shaktikanta Das appointed as Governor of RBI	Shri Shaktikanta Das, IAS Retd., former Secretary, Department of Revenue and Department of Economic Affairs, Ministry of Finance, Government of India assumed charge as the 25th Governor of the Reserve Bank of India effective December 12, 2018. Immediately prior to his current assignment, he was acting as Member, 15th Finance Commission and G20 Sherpa of India.

S.No.	GENERAL IMPORTANT NOTICES
1	SEBI is considering steps to strengthen the framework for debenture trustees, including raising minimum net worth requirement for registration of such entities and introducing e-voting provision to obtain consent of the unit holders. The proposed changes include raising minimum net worth requirement for registration of debenture trustees to Rs 10 crore from the current Rs 2 crore. Further, a three-year time would be given for attaining this networth requirement. The new criteria will help in restricting registration of debenture trustees to financially sound entities
2	The National Stock Exchange (NSE) has imposed fines and issued notices to as many as 60 companies, including two IL&FS group firms, Videocon Industries and Unitech, for non-compliance with listing regulations. ABG Shipyard and Bharati Defence and Infrastructure are among the other entities, according to a communication.
3	Weeks ahead of the deadline to reduce promoter holdings, private sector lender Kotak Mahindra Bank NSE -1.11 % Monday moved the Bombay High Court challenging the RBI decision rejecting its sale dilution announced in August. In the petition, the bank is seeking a widening of the definition of the paid-up equity capital to include these preference shares as well beyond the present equity voting capital. It is also questioning the laws related to capping of the shareholding at a more fundamental level, asking if there is a legal basis to have shareholding caps.
4	The commerce and industry ministry has floated a draft to amend the existing patent rules with a view to further streamline examination of applications. The draft rules will amend the Patents Rules, 2003, the department of industrial policy and promotion (DIPP), under the ministry, said in a notification Monday.
5	Lender banks as well as the Lakshmi Mittal-led ArcelorMittal Monday opposed the debt settlement proposal made by the shareholders of Essar Steel, claiming that it is against the Supreme Court order as well as the provisions of the Insolvency and Bankruptcy Code (IBC). The same stand was taken by the resolution professional of bankrupt Essar Steel, saying it is "too late" for Essar Steel Asia Holding, which holds 72 per cent shares in Essar Steel, to offer a settlement.
6	SEBI is planning to allow mutual funds to undertake 'side pocketing' of debt and money market instruments in case of a credit event while ensuring fair treatment to all unitholders. 'Side pocketing' is a mechanism to separate distressed, illiquid and hard-to-value assets from other more liquid assets in a portfolio. It prevents the distressed assets from damaging the returns generated from more liquid and better-performing assets. The proposal comes in the wake of the liquidity squeeze triggered by

	the Infrastructure Leasing & Financial Services (IL&FS) default.
7	Markets regulator Sebi plans to allow custodial services in the commodity derivatives market to enable institutional participation. Under the proposal, existing custodians will be permitted to add commodities as an asset class and provide physical delivery of both securities and commodities, they added.
8	The government has detected GST evasion worth Rs 12,000 crore in 8 months till November, a senior tax official said on Wednesday. Central Board of Indirect Taxes and Customs (CBIC) member John Joseph said despite the electronic way or E-way bill mechanism there has been rampant evasion and there is a need to increase compliance.



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