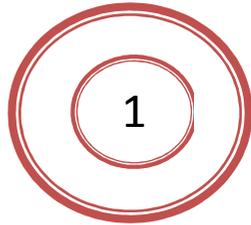


WEEKLY UPDATES ON COMPANY LAW,SEBI AND RBI

Week 51 –December 17 to December 23, 2018

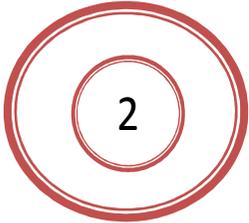


Companies Act 2013 during the week

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

S.No	Date of Issue	Rules/Circular/ Notification/order	Contents thereof	Gist thereof
1	17.12.2018	Important Notice	Companies (Incorporation) Rules, 2014 –Amendment in Rules	<p>This amendment intends to bring more clarity to the rules related to name availability by:</p> <ul style="list-style-type: none"> (i) inclusion of illustrations in the rules; (ii) providing a clear test to determine as to whether the applied name resembles too nearly with the name of an existing company; and (iii) bringing more clarity in the rule related to “general names”/descriptive names and trademark applicability; <p>Suggestion/Comments on the proposed amendments</p>

				along with justification in brief may be sent latest by 31st December, 2018 through email at reservation.name@mca.gov.in.
2	-	Important Notice	-	Forms A-XBRL, 23B and MSC-1 are likely to be revised w e f 20th December, 2018.
3	18.12.2018	Notification	Companies (Registration of Charges) 2nd Amendment Rules,2018	In the Companies (Registration of Charges) Rules, 2014, Form No CHG-4 has been revised w e f 25th December 2018.
4	18.12.2018	Notification	Companies (Incorporation) 4th Amendment Rules,2018	<p>1. Declaration at the time of commencement of business within 180 days from incorporation shall be applicable to the companies incorporated after the commencement of the Companies (Amendment) Ordinance 2018 which is 2nd November 2018. Consequences for default in compliance of Section 10A: monetary penalty and removal of name from the register of companies.</p> <p>2. Application to be filed for change in financial year</p> <p>3. Application to be filed for conversion of public company into private company</p>



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	Act/rules/circulars..	Subject & Link	Gist thereof
1	17.12.2018	Circular	Review of risk management framework for Equity Derivatives Segment	<p>1. It has been decided that Exchanges/ Clearing Corporations shall estimate the appropriate Margin Period of Risk (MPOR), subject to a minimum of 2 days, for each equity derivative product based on liquidity therein and scale up the initial margins and exposure margins accordingly. For initial margins, the MPOR shall be given effect by way of scaling up the Price Scan Range (PSR) used for computing the Worst Scenario Loss.</p> <p>2. It has further been decided to stipulate PSR for computation of initial margins across index options and index futures contracts as three standard deviations (3σ) or 5% of underlying value, whichever is higher. The Short Option Minimum Charge (SOMC) for index option contracts also stands revised to 5%.</p>

				<p>3. Additionally, in order to make risk management framework more robust, the payment of (Mark to Market Margin) MTM shall now mandatorily made by all the members on T+0 basis i.e. before start of trading on the next day.</p> <p>The provision(s) of this circular shall come into effect from January 21, 2019.</p>
2	17.12.2018	Circular	Early Warning Mechanism to prevent diversion of client securities	It has been decided to put in place an Early Warning Mechanism and sharing of information between Stock Exchanges, Depositories and Clearing Corporations to detect the diversion of client's securities by the stock broker at an early stage so as to take appropriate preventive measures.

S.No.	GENERAL IMPORTANT NOTICES - SEBI
1	SEBI Chairman Ajay Tyagi on Tuesday advised investment bankers to set prices of initial public offerings (IPO) at reasonable levels in order to help strengthen the primary market. He said IPOs not happening this year is a reason to worry
2	SEBI has set up a sub committee to look into the issue of differential voting rights (DVR). The panel is likely to submit its report next month

3	Securities and Exchange Board of India (SEBI) is planning to come up with a sandbox policy to support technology development for financial markets, an official said here on Thursday. Sandbox concept is something that one can try before implementing it on a larger scale and it refers to experimenting and learning before adopting a technology or system
4	Markets regulator SEBI Thursday said it will issue a directive soon on terms and conditions for mutual funds to separate their distressed debt assets, a process widely known as 'side pocketing'. '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.

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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	20.12.2018	Press Release	RBI announces the limit for the stock of External Commercial Borrowings	It has been decided, in consultation with the Government of India to have a rule-based dynamic limit for outstanding stock of External Commercial Borrowings (ECB) at 6.5 per cent of GDP at current market prices. Present soft limit is USD 160 billion as against outstanding stock of ECB at USD 126.29 billion.

S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1	The Supreme Court on Monday suggested that operational creditors of bankrupt companies be given a voice in the resolution proceedings in proportion to their debt, including voting rights.
2	The option of “marrying” the insolvency framework with a possible settlement scheme to deal with resolution of debt-laden companies is something that can be considered in the future, said finance and corporate affairs minister Arun Jaitley.
3	Banks are likely to soon seek authorisation from borrowers and guarantors so that they can approach authorities such as Income Tax (I-T) and Goods and Services Tax (GST) departments to cross-check the veracity of information submitted for getting loans
4	The Forum for People’s Collective Efforts (FPCE), a pan-India body of homebuyers, has sought forensic audit of all housing projects that have been delayed by more than two years to find out whether funds have been diverted, as turned out to be the case with Amrapali Group’s projects.

S.No.	GENERAL IMPORTANT NOTICES
1	MCA Notification regarding Delegation of powers to Regional Directors-dated 18.12.2018
2	The Bombay High Court Monday refused to grant stay on private sector lender Kotak Mahindra Bank’s plea for extension of the RBI’s December 31 deadline for promoter stake dilution.
3	Justice Vibhu Bakhru rejected the petition by the All India IDBI Officers Association, which had opposed the move of Life Insurance Corporation (LIC) on the ground that change in shareholding could take away the public sector bank status of IDBI.
4	<p>The newly-appointed IL&FS board has initiated the process of selling IL&FS group’s equity stakes in 22 road assets of around 12,000 km on Monday. Lenders including HDFC Bank, ICICI Bank and Axis Bank, and Rakesh Jhunjunwala’s private equity firm Rare Enterprises are among a dozen bidders for the securities business of Infrastructure Leasing & Financial Services (IL&FS).</p> <p>The National Company Law Appellate Tribunal (NCLAT) Thursday said it would hear the plea over moratorium on dues recovery from IL&FS and group companies on January 28.</p> <p>Debt-laden Infrastructure Leasing & Financial Services (IL&FS) Group Thursday said that it has initiated a process to sell its stake in education business and in the alternative investment management business.</p>
5	In a major policy decision, the government has permitted executive directors (EDs) of nationalised banks to be selected as managing

	directors of the country's largest lender State Bank of India (SBI)
6	The government has sanctioned prosecution proceedings against 284 companies and sent 5,382 notices to companies that have not fulfilled the mandatory corporate social responsibility (CSR) expenditure norms, minister of state for corporate affairs P P Chaudhary has said. Corporate Social Responsibility (CSR) funds worth over Rs 8,314 crore remained unspent over three financial years starting from 2014-15.
7	IDFC Bank and Capital First today announced the completion of merger following all approvals to form a combined entity with Rs 1.02 lakh crore loan book
8	Several startups are receiving Income Tax notices on angel funding they received few years ago. Notices are demanding 30% of Angel money raised as tax.
9	India's monetary policy committee sounded cautious on inflation and preferred to wait for more data to see for how long price pressure and growth momentum would remain soft, according to minutes of its December 5 meeting published on Wednesday



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