

WEEKLY UPDATES ON COMPANY LAW,SEBI AND RBI

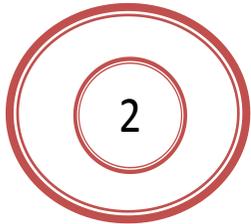
Week 52 –December 24 to December 30, 2018

1

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				



SEBI during the week

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

Master Circulars-0; Circulars – 3; Press Release –0; Others -0

S.No	Date of Issue	Act/rules/circulars..	Subject & Link	Gist thereof
1	27.12.2018	Circular	Change of Name in the Beneficial Owner(BO) Account with Depositories	<p>In the State of Karnataka and Punjab, the name change is published by the State Government in the Official Gazette only for Government employees and not for private persons in case of change of name of an individual.</p> <p>Hence, it has been decided that in case of change of name of an individual in these states, for reasons other than marriage, the same may be allowed for the individual in the BO account subject to the submission of following documents:</p>

				<ul style="list-style-type: none"> i. Request letter for change of name; ii. Sworn affidavit executed before the Notary Public/ Magistrate of First Class/ Executive Magistrate mentioning the reason for change of name and his complete address; iii. Paper publication in one local newspaper and one national newspaper; and iv. KYC in changed name.
2	28.12.2018	Circular	Review of Offer for Sale of Shares through Stock Exchange Mechanism	<p>The OFS framework is modified as follows:</p> <ul style="list-style-type: none"> a. OFS mechanism shall be available to companies with market capitalization of Rs.1000 crores and above, with the threshold of market capitalization computed as the average daily market capitalization for six months period prior to the month in which the OFS opens. b. If the seller fails to get sufficient demand from non-retail investors at or above the floor price on

				T day, then the seller may choose to cancel the offer, post bidding, in full (both retail and non-retail) on T day and not proceed with offer to retail investors on T+1 day.
3	28.12.2018	Circular	Creation of segregated portfolio in mutual fund schemes	<p>SEBI decided to permit creation of segregated portfolio of debt and money market instruments by mutual funds schemes. The Circular elaborates on the following aspects:</p> <ul style="list-style-type: none"> a. Process for creation b. Valuation and processing of subscriptions and redemptions c. Disclosure Requirements d. Total Expense Ratio for the segregated Portfolio e. Monitoring by Trustees <p>The term 'segregated portfolio' shall mean a portfolio comprising of debt or money market instrument affected by a credit event that has been segregated in a mutual fund scheme.</p>

RBI during the week

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

Press Release - 0

3

S.No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
NIL				

S.No.	IMPORTANT NOTICES - RBI
1	Executives from housing finance companies and non-banking finance companies met Prime Minister Narendra Modi on Wednesday to discuss ways to restore confidence in the sector that is seeking to overcome a slowdown in growth after the IL&FS defaults.
2	A parliamentary panel has suggested classifying micro, small and medium enterprises (MSMEs) according to their annual turnovers instead of investments in plant and machinery.

3	<p>The Reserve Bank of India has formed an expert committee under former governor Bimal Jalan to decide the appropriate level of reserves that the regulator should hold. This comes more than a month after the bank's central board proposed the panel's formation following a dispute between then governor Urjit Patel and the government over that and various other issues, which eventually led to his departure.</p>
4	<p>The Reserve Bank of India plans to usher in new asset liability management (ALM) norms for non-banking finance companies (NBFCs) — similar to the one for banks — to avert asset liability mismatches like the one that led IL&FS to default and cause a liquidity squeeze.</p>
5	<p>The Reserve Bank of India has backed its policy of asking banks to maintain capital ratios that exceed global norms, one of several areas of disagreement with the government that had led to the exit of Urjit Patel as governor. It also upheld the prompt corrective action (PCA) framework for weak banks, which was another point of contention.</p>
6	<p>The Reserve Bank of India (RBI) would set up a compliance and tracking system portal to tackle the proliferation of cyber-fraud and seeks to establish a better redressal mechanism for consumers. With digital transactions gaining traction, RBI's customer-protection measures are seen as a bid to promote and improve confidence in the digital channel. This will support the government's objective of creating a 'less-cash' economy.</p>

S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1	The National Company Law Appellate Tribunal (NCLAT) has set aside insolvency proceedings against Paramount Prop build, noting that no notice was served to the NCR-based real estate firm before initiating the debt recovery process.
2	The Reserve Bank of India has shortlisted six major IT companies, including TCS, Wipro and IBM India, to set up a wide-based digital Public Credit Registry (PCR) for capturing details of all borrowers and wilful defaulters.
3	Tasked with a key job of helping recover unpaid corporate loans, the NCLT has helped resolve insolvency and bankruptcy proceedings involving more than Rs 80,000 crore in the year passing-by and the kitty is expected to swell beyond Rs 1 lakh crore in 2019 with several big-ticket default cases pending.
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5	The Reserve Bank of India has called for strengthening the National Company Law Tribunal (NCLT) infrastructure to ensure time bound resolution of stressed assets of the banking sector. Better resolution will also depend on the future of loan repayment culture, it said.
6	The Insolvency and Bankruptcy Code (IBC), which turned two this month, remains a work in progress despite creditors getting record recoveries and a rise of never-before opportunities to exit and buy businesses in India. To explain IBC's birth, Insolvency and Bankruptcy Board of India (IBBI) Chairperson M.S. Sahoo last week recalled a dialogue in a novel by Ernest Hemingway -- 'How did you go bankrupt?' and the response is 'Gradually and then suddenly'. This was to illustrate the fact that the insolvency reform was in the works since 1992 but was suddenly made operational from December 1, 2016 with no prior experience of a regime that should be proactive, incentive-compliant, market-led and time-bound. While the insolvency reform was 'gradual and

	then sudden', IBC, which in Finance Minister Arun Jaitley's words was hurriedly put in place due to necessity because every other solution had effectively failed, will achieve its objective gradually.
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S.No.	GENERAL IMPORTANT NOTICES
1	Industry chamber CII has urged the government not to cap remunerations of independent directors under the amendments to the Companies Act, 2013.
2	The scheme of amalgamation spelling out the contours of the merger of Bank of Baroda (BoB), Vijaya Bank and Dena Bank is expected to be finalised by the end of this month, sources said.
3	After issuing notices in foreign direct investment (FDI) situations, the taxman has now started raising tax demands that could run into hundreds of crores in various cross-border investment situations and in investments by Indian companies in their subsidiaries. Several companies—that have received investments, invested in subsidiaries, issued preference shares or borrowed money— have in the last few days got tax demands, asking them to pay tax on premiums over fair market value in such investments by March end next year. In all the situations, the taxman has challenged valuations of these deals, claiming that investments were made at more than the fair market value. Tax demands were made even in cases where premium of Rs 1 was paid per share over the fair market value, they said.
4	Companies providing after-sales service in India will now have to comply with quality standards laid down by the government's Bureau of Indian Standards (BIS)
5	Companies in India spent Rs 7,536.3 crore on corporate social responsibility (CSR) activities in 2017-18, a 47 per cent rise

	compared to 2014-15, says a survey.
6	E-commerce firms and trade groups Wednesday appreciated the new rules for the sector, noting that the norms would help create level playing for all sellers. But small vendors are a worried lot over the condition on vendors to sell only 25 per cent of their products through an e-commerce platform.
7	"To promote ease of doing business for MSEs, NTPC Chairman Gurdeep Singh has proposed a single window registration for MSEs across CPSUs," a senior company official told PTI. As against the government mandate for minimum 25 per cent procurement from MSEs, NTPC has achieved 36 per cent procurement from MSEs in the current fiscal till November 2018, the official added.
8	The government has proposed to fast-track patent applications from women and small businesses in its latest bid to encourage innovation from new category of innovators.
9	Names of more than 1 lakh companies have been struck off the official records in the current fiscal for not carrying business activities for a long time, the government said Friday.



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