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



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SPARSH.....

Touches

August, 2014

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VKC and VK & Co.**
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Editorial

T: Together
E: Everyone
A: Achieves
M: More



*"Leaders don't force people to follow,
they invite them on a journey."*

- Charles S. Lauer

Taking a leaf from Lauer, we at VKCPL & VK & Co, truly believe in growing as a team together and in this pursuit of knowledge, we hope the wisdom to bring forth the budding leaders within us.

With this thought of aspiring for better, we come again with "Sparsh".

Stay in touch with us through SPARSH!!

Editor:

-Nikita Snehil








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Articles Published

- ▶ *An Article on “**Securities Law (Amendment) Bill, 2014 – Comparison of Key changes made in SEBI Act, 1992**” by CS Vinita Nair and Aditya Shah, published in TaxGuru.*
- ▶ *An Article “**Securities Law (Amendment) Bill- Changes made in SCRA,1956 and Depositories Act, 1996**”, by CS Vinita Nair and Ruchira Shinde, published in TaxGuru.*
- ▶ *An Article on“**MCA amends RPT rules: Makes provisions stricter**”, by Mr. Vinod Kothari and CS Shampita Das, published in IndiaCorpLaw.*
- ▶ *An Article on “**RBI amends norms for lending against shares by Systemically Important NBFCs**” by Vijaya Agarwal, published in TaxGuru.*
- ▶ *An Article on “**Companies Act, 2013: Fuelling The LLP Boom?**”, by CS Nivedita Shankar, published in MoneyControl.*

For More Articles, Click [here](#).

Our Forthcoming Workshops:

-  Treasury Management for NBFCs, by Mr. Praveen Sethia, in Mumbai, in September 2014.
-  Factoring, by Mr. Vinod Kothari, in Kolkata/Mumbai, in September 2014.
-  Basel III, by Mr. Vinod Kothari, in Mumbai, in October 2014.
-  Securitisation and Covered Bonds, by Ms. Nidhi Bothra, in Mumbai, in October 2014.
-  Affordable Housing Finance, by Mr. Prakash Hulkopkar and Ms. Nidhi Bothra, in Mumbai, in November 2014.
-  Leasing and Asset Backed Lending, by Ms. Nidhi Bothra, in Mumbai, in November 2014.
-  November 2014 Mumbai Regulations for NBFCs, by Mr. Vinod Kothari, in Mumbai, in November 2014.

For More Details, click [here](#).

● ***What's happening at VKC and VK & Co.***

- ▶ ***Session conducted by Mr. Vinod Kothari and associates:***

On Companies Act, 2013 & Revised Clause 49, hosted by Jaiprakash Group, at Noida.

● ***Hall of Fame***

Mr. Vinod Kothari was quoted on The Economic Times in the article "Sebi proposes stricter rules for securitisation deal trustees"

● ***Our Corner***

☐ *Celebration for shifting to our new office!*



Articles Published

“Securities Law (Amendment) Bill, 2014 – Comparison of Key changes made in SEBI Act, 1992”

By CS Vinita Nair and Aditya Shah,
Published in TaxGuru

Securities Law (Amendment) Bill, 2014 passed by Lok Sabha – Detailed comparison of Key changes made in SEBI Act, 1992

Preamble:

The Securities Exchange Board of India (*herein after referred as SEBI*) is the securities market regulator in India. SEBI was established under Securities and Exchange Board of India Act, 1992[1] (*hereinafter referred as the Act*) and derives power, rights and authority from the Act. As the capital market dynamics are changing, it is also important to enhance the power of SEBI with changing capital market. In recent past Legislature were constantly endeavoring to push though the amendments to the SEBI Act, 1992 however due to some or the other reasons such amendments were not able to get through the Parliament. The Central Government tried to circumvent its inability to pass through the Parliament by promulgating the ordinance to amend the Act.

To view the entire article click [here](#).
This Article was published in TaxGuru.



“Securities Law (Amendment) Bill- Changes made in SCRA,1956 and Depositories Act, 1996”

By CS Vinita Nair and Ruchira Shinde

Published in TaxGuru

The Securities Exchange Board of India (*herein after referred as SEBI*) is the securities market regulator in India. SEBI was established under Securities and Exchange Board of India Act, 1992[1] (*hereinafter referred as the Act*) and derives power, rights and authority from the Act. As the capital market dynamics are changing, it is also important to enhance the power of SEBI with changing capital market. In recent past Legislature were constantly endeavoring to push through the amendments to the SEBI Act, 1992 however due to some or the other reasons such amendments were not able to get through the Parliament. The Central Government tried to circumvent its inability to pass through the Parliament by promulgating the ordinance to amend the Act. The Central Government through President had issued ordinance to amend the SEBI Act in the year 2013 and 2014 and the new government was able to ensure that the Securities Law (Amendment) Bill, 2014[2] (*herein after referred as Amendment Bill 2014*), which includes the amendment to SEBI Act, Depositories Act, 1996 and Securities Contract (Regulation) Act, 1956, was passed on 6th August 2014 in Lok Sabha.

To view the entire article click [here](#).
This Article was published in TaxGuru.



“MCA amends RPT rules: Makes provisions stricter”

By Mr. Vinod Kothari and CS Shampita Das
Published in IndiaCorpLaw

The latest setback from the MCA has come by way of the amendments to the Companies (Meetings of Board and its Powers) Rules, 2014 (MBP Rules) *vide* its notification dated 14th August, 2014, which is yet to be gazette.¹[1] The key highlight of the amendment was the complete substitution of the Rule 15(3) of the MBP Rules relating to conditions for obtaining approval from members for entering into related party transactions (RPTs).

Lets' start over!

Section 188 of the Companies Act, 2013 (Act) provides that approval of the Board would be required for entering into certain related party transactions. The first *proviso* to Section 188 provides that no contract or arrangement shall be entered into by a company having paid-up share capital of not less than such amount, or transactions not exceeding such sums, as may be prescribed, except with the prior approval of the company by a special resolution.

To this effect, Rule 15 (3) of the MPB Rules (prior to the amendment) had laid down dual conditions for passing of special resolution for entering into RPTs.

To view the entire article click [here](#).

This Article was published in IndiaCorpLaw.



“RBI amends norms for lending against shares by Systemically Important NBFCs”

By Vijaya Agarwal
Published in TaxGuru

Reserve Bank of India (RBI) vide its notification dated August 21, 2014[1] has come up with amendment in norms for regulating lending against shares by (NBFC-SI), i.e. (NBFCs having a net worth of 100 crores or more) effective from Thursday, the 21st of August, 2014. Currently, loan against shares by NBFCs is not regulated by any specific guidelines apart from general prudential norms applicable to all NBFCs. The same is however, a part of lending and investment policies of NBFCs which ensures internal control for maintaining Loan to Value (LTV) ratio being risk assessment ratio that financial institutions and other lenders observe before approving a mortgage. Evaluation of high LTV is usually viewed as high risk involved and vice-versa.

Security cover for loan against shares: Currently, loan against shares is extended by NBFCs by way of:

- (a) either on pledge of such securities
- (b) transfer of securities or
- (c) obtaining power of attorney of such shares and securities.

In the event of any default in repayment by the borrower, the lender NBFC exercises lien on the securities and offloads the same in the market.

To view the entire article click [here](#).
This Article was published in TaxGuru.



Companies Act, 2013: Fuelling The LLP Boom?

By CS Nivedita Shankar
Published in MoneyControl

The Companies Act, 2013 (Act, 2013) was implemented with the purpose of meeting the requirements of India's growing economy¹. The intent was to replace the archaic Companies Act, 1956 with a new legislation which makes doing business in India easier and also to make the primary legislation governing companies at par with the legislations in other countries. In this endeavour what we actually have is the Act, 2013 which has been heavily criticized because of its poor drafting and the many flaws that it has. The Ministry is still in the process of refining the many provisions of the Act, 2013, yet the jury is out regarding the need to have hastily enforced a part of the Act, 2013. If one were to study the various clarifications and so called 'removal of difficulties' orders passed by MCA, it would be clear that most of these actions are knee-jerks.

With the Act, 2013 being widely criticized, one may miss the silent but rapid growth in the number of LLPs incorporated during this time. One of the many reasons behind bringing out a new companies act was to ensure that the business of small entrepreneurs is corporatarised.

To view the entire article click [here](#).
This Article was published in MoneyControl.



Hall of Fame

Mr. Vinod Kothari was quoted on The Economic Times in the article *“Sebi proposes stricter rules for securitisation deal trustees”*



"One of the most formidable duties is to ensure that each of the parties — originator, servicer, etc. — are fulfilling their obligations," said Vinod Kothari, director at the Indian Securitisation Foundation.

The Securities and Exchange Board of India on Friday released a concept paper proposing some changes in the term sheets or formats that state the commercial terms for securitisation transactions.

Securitisation is the process of converting loans into marketable securities known as pass-through certificate (PTC). Mostly banks are the buyers here to meet lending target to the priority sectors.

The capital market regulator is also seeking to add more features to qualify as a securitisation trustee - a legal entity which issues PTCs on behalf of sellers to buyers.

To view the entire article click [here](#).

Our Corner!!!

**We completed 25 years of our entities and also a step ahead...
moving into our new office to 1006-1009 Krishna Building, 224
A.J.C Bose Road Kolkata.**



Contact Us



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