

## WEEKLY UPDATES ON COMPANY LAW ,SEBI AND RBI

### Week 36 – September 04 – September 10, 2017

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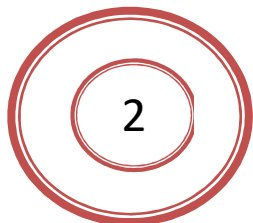
**Companies Act 2013 during the week**

**Rules - 0; Circulars-1; Notifications –1; Orders- 0; Important Notices - 3**

S.No	Date of Issue	Rules/Circular/ Notification/order	Contents thereof	Gist thereof
1	05.09.2017	Circular 09/2017	Exemption given to certain unlisted public companies under the Companies (Appointment and Qualification of Directors) Rules 2014 from the appointment of Independent Directors – Reg	This Ministry, vide notification number G.S.R. 839(E) dated 5 <sup>th</sup> July, 2017 issued the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 inter-alia amending rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The said amended Rule 4 inter-alia provides that an unlisted public company which is a joint venture, a wholly owned subsidiary or a dormant company will not be required to appoint Independent Directors.

				<p>The said circular clarifies that <b><u>Joint Venture</u></b> would mean a joint arrangement, entered into in writing, whereby the parties that have joint control of arrangement, have rights to the net assets of the arrangement. The usage of the term is similar to that under the Accounting Standards.</p>
2	06.09.2017	Notification	<p>Delegation of powers to RDs under section 458 of CA 2013 dt 06.09.2017</p>	<p><b><u>Reduction of Share Capital</u></b></p> <p><i>Section 66(2) – The Tribunal Shall give notice of every application made it under sub-section (1) to the <b><u>Central Government</u></b>, Registrar and to the Securities and Exchange Board, in the case of listed company and the creditors of the company and shall take into consideration the representation, if any, made to it by that Government, Registrar, The Securities and Exchange Board and the creditors within a period of three months from the date of receipt of the notice: provided if where no representation has been received, it is presumed that they have no objection to the reduction</i></p> <p><b>The power of Central Government has been shifted to the Regional Director at Mumbai, Chennai, New Delhi, Ahmedabad, Hyderabad and Shillong vide this notification.</b></p>

<b>GENERAL IMPORTANT NOTICES</b>	<b>Remarks</b>
<p>Any person disqualified under section 164(2) of the Companies Act, 2013 [the Act] is advised not to act as director during the period of the disqualification and not to file any document or application with MCA as the same shall be summarily rejected. However, this shall be without prejudice to the liability of the said person for violation of section 164(2) read with section 167 of the Act including the action under section 448 r/w 447 of the wherever warranted.</p>	<p>MCA has come out with List of Directors disqualified under section 164(2) of the Companies Act 2013 <a href="http://mca.gov.in/MinistryV2/disqualifieddirectorslist.html">http://mca.gov.in/MinistryV2/disqualifieddirectorslist.html</a></p> <p>MCA has also issued the list of disqualified directors associated with struck off companies u/s 248 <a href="http://mca.gov.in/MinistryV2/directorsstruck248.html">http://mca.gov.in/MinistryV2/directorsstruck248.html</a></p> <p>The said notice states that such DIN of the disqualified directors have been blocked and any form filed vide their DIN shall be summarily rejected.</p>
<p>Form DIR-12, DIR-6 and INC-24 were recently revised on MCA21 Company Forms Download page. Stakeholders are advised to check the latest version before filing.</p>	<p>Self Explanatory</p>
<p>SPICe Form was recently revised on MCA21 Company Forms Download page. Stakeholders are advised to check the latest version before filing.</p>	<p>Self Explanatory</p>



### SEBI during the week

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

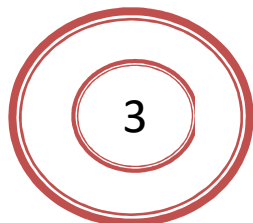
**Master Circulars-0; Circulars – 1; Press Release - 0**

S.No	Date of Issue	Act/rules/circulars....	Subject & Link	Gist thereof
1	08.09.2017	<b>Reports for Public Comments</b>	Consultation paper on Review of the Regulatory Framework for Credit Rating Agencies <a href="http://www.sebi.gov.in/reports/reports/sep-2017/consultation-paper-on-review-of-the-regulatory-framework-for-credit-rating-agencies-35896.html">http://www.sebi.gov.in/reports/reports/sep-2017/consultation-paper-on-review-of-the-regulatory-framework-for-credit-rating-agencies 35896.html</a>	The objective of the consultation paper is to seek comments/views from the public on the proposals that are expected to improve market efficiency by reducing the information asymmetry in the market and enhancing the governance, accountability and functioning of Credit Rating Agencies (CRAs) for carrying out the rating activities in an efficient and professional manner, thereby yielding timely and accurate ratings. Proposals: ➤ Enhanced net-worth requirement

			<ul style="list-style-type: none"> <li>➤ Enhanced eligibility criteria for promoters of CRA</li> <li>➤ Requirements of disclosure of financial results on the Exchanges for issues of listed debt to be brought in line with the corresponding requirement of issuers of listed equity</li> <li>➤ Mandatory disclosure of Annual Consolidated Financial Results to the exchanges in case of issuers having only listed debt.</li> <li>➤ Restriction on crossholding in SEBI registered CRAs</li> <li>➤ Appeal by issuers against ratings provided by CRAs</li> <li>➤ Withdrawal of ratings permitted after a specified minimum period</li> <li>➤ Any activity, other than the rating of financial instrument and economic/financial research, shall be hived off by the CRA to a separate entity</li> <li>➤ Disclosure of non-accepted ratings only for a period of 6 months of non acceptance</li> <li>➤ Enhanced disclosure norms for CRAs.</li> <li>➤ Rationalization of existing disclosure for CRAs.</li> </ul>
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2	08.09.2017	<b>Press Release</b>	Acquisition of 'control' under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011	<p>SEBI had vide its meeting dated March 12, 2016 decided to explore adaption of bright-line tests for acquisition of 'control' under the Takeover Regulations and has issued a discussion paper seeking public comments on certain proposals.</p> <p>After mixed response from the stakeholders wherein no particular option has garnered overwhelming support, SEBI sought the views of MCA and RBI.</p> <p>The Ministry of Corporate Affairs and few other stakeholders have opined that changing the current definition of 'control' may reduce the regulatory scope and may be prone to abuse and that the current definition of 'control' may not be changed and it would be more appropriate to take decisions on a case-to-case basis</p> <p>The relevant issues have been examined intensively and in view of</p>

				<p>the aforesaid comments received and considering the current regulatory environment, <b><u>it has been decided to continue with the practice of ascertaining acquisition of 'control' as per the extant definition in the Takeover Regulations.</u></b></p>
3	08.09.2017	<p align="center"><b>Circular</b> <b>No.: SEBI/HO/MIRSD/CIR/P/2017/000000100</b></p>	<p align="center">Cyber Security and Cyber Resilience framework for Registrars to an Issue / Share Transfer Agents</p>	<p>SEBI has come up with Cyber security and Cyber resilience framework applicable to large RTAs. i.e RTA's handling more than 2 crore folios.</p> <p>Framework is given in Annexure A to the circular and qualified RTAs are directed to take necessary steps to put in place systems for implementation of this circular by December 01, 2017.</p>



### RBI 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
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