

WEEKLY UPDATES ON COMPANY LAW ,SEBI AND RBI

Week 41 – October 09 – October 15, 2017

1

Companies Act 2013 during the week

Rules - 0; Circulars - 0; Notifications – 1; Orders- 0; Important Notices - 2

S.No	Date of Issue	Rules/Circular/ Notification/order	Contents thereof	Gist thereof
1	13.10.2017	Notification	Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules 2017 Effective Date 13.10.2017	Rule 6 and Rule 7 of the said rules are being amended. Gist of amendment are as follows: Rule 6 – <i>“Manner of transfer of shares under sub-section (6) Of section 124 to the Fund”</i> 1. Proviso to sub-rule 1 amended: Provided further that in cases where the period of seven years provided under sub-section (5) of section 124 has been completed or being completed during the period from 7th September, 2016 to 31st May, 2017 , <u>31st October 2017</u> the due

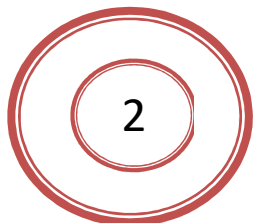
				<p>date of transfer of such shares shall be deemed to be 31st May, 2017 <u>31st October 2017.</u></p> <p>2. New Insertion after section proviso in sub rule 1 – <u>Provided further that transfer of shares by the Companies to the fund shall be deemed to be transmission of shares and the procedure to be followed for transmission of shares shall be followed by the companies while transferring the shares to the fund</u></p> <p>3. Sub Rule 3 of Rule 6 talks about the procedure while transferring the shares. Clause d of the said sub rule spoke about the steps to be taken by the Company to issue duplicate share certificates. <u>The said amendment removes the word issues of duplicate share certificate and inserted the word “new Share Certificate” and made amendments to the procedure viz a viz.</u></p> <p>(i) CS or person authorised shall make application to the company for issue <u>of new share certificate</u></p>
--	--	--	--	--

				<p>(ii) On receipt of such application, new share certificate to be issued and in the face of the certificate “issues in lieu of Share Certificate No ... for the purpose of Transfer to IEPF” to be stated.</p> <p>(iii) <u>Particulars of Share Certificate should be in Form SH - 1.</u></p> <p>(iv) After issue of new share certificate, company shall inform depository by way of corporate action to convert into demat and transfer in favour of authority</p> <p>4. New sub rule 13 & 14 inserted:</p> <p>13. <u>Any amount required to be credited by the companies for the Fund as provided under sub-rules(10)(11) and Sub-rule (12) shall be remitted into the specified account of the IEPF Authority maintained in the Punjab National Bank</u></p> <p>14. <u>Authority shall furnish its report to the Central Government as and when non-compliance of the rules by Companies came to its</u></p>
--	--	--	--	---

				<p style="text-align: center;"><u>knowledge.</u></p> <p>Rule 7 : Refunds to claimants from Fund. -</p> <ol style="list-style-type: none">1. Sub- Rule 2A – Newly Inserted <u>Every company which has deposited the amount to the Fund shall nominate a Nodal Officer for the purpose of coordination with IEPF Authority and communicate the contact details of the Nodal Officer duly Indicating his or her designation, postal address, telephone and mobile number and company authorised E-Mail Id to the IEPF Authority, within 15 days from the date of publication of these rules and the company shall display the name of the Nodal Officer and his E-mail ID on its website.</u>2. Proviso after sub-rule (3) – Newly Inserted: <u>Provided that in case of non receipt of documents by the Authority after the expiry of ninety days from the date of filing of Form IEPF - 5, the Authority may reject Form IEPF - 5, after giving an</u>
--	--	--	--	--

				<p><u>opportunity to the claimant to furnish response within a period of thirty days</u></p> <p>3. Proviso after sub-rule (7) – newly inserted: <u>Provided that in case of non receipt of rectified documents by the Authority after the expiry of ninety days from the date of such communication, the Authority may reject Form IEPF – 5, after giving an opportunity to the claimant to furnish response within a period of thirty days</u></p>
--	--	--	--	---

GENERAL IMPORTANT NOTICES	Remarks
Dear corporates, to avoid last minute rush and system congestion on the MCA21 portal on account of Annual Filings during October / November 2017, Companies are requested to file their Financials and Annual Return at the earliest without postponing it to the last days.	Self Explanatory
Form CRA-4 has been recently revised on MCA21 Company Forms Download page. Stakeholders are advised to check the latest version before filing	Self Explanatory



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	10.10.2017	Circular No.: CFD/CMD/CIR/P/201 7/115	Non-compliance with the Minimum Public Shareholding (MPS) requirements	<p>Regulation 38 of the Securities and Exchange and Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015 mandates a listed entity to comply with the Minimum Public Shareholding (MPS) requirements specified in SCRA rules.</p> <p>In order to maintain consistency and uniformity of approach, new procedure shall be followed by recognised stock exchange/depositories, with respect to non compliant listed entities, their promoters and directors.</p> <p>Gist of the new procedure is as follows:</p> <p>(i) Recognised stock exchange shall review compliance of MPS and in case of discrepancies, shall issue</p>

				<p>notice within 15 days intimating all action taken/being taken as per this circular and advise the entities to ensure compliance.</p> <p>(ii) Shall impose fine of Rs. 5000 per day of non compliance, till date of compliance</p> <p>(iii) Shall intimate depositories to freeze the entire shareholding of the promoter and promoter group till date of compliance</p> <p>(iv) Promoter and promoter group and directors shall not hold any new position as director in any other listed entity till the date of compliance.</p> <p>(v) Continuous non-compliance for period of more than 1 year: (a) Increased fine of Rs. 10,000 per day of non compliance (b) Freeze all securities held in demat account of the promoter and promoter group, till day of compliance</p> <p>(vi) May consider Compulsory delisting of the non-compliant listed entity</p> <p>(vii) Incase of specific cases where exemptions were given , stock exchange may keep in abeyance the action or withdraw the action.</p> <p>(viii) Where action is taken by company to</p>
--	--	--	--	---

				<p>comply with the requirement, the stock exchange to intimate SEBI</p> <p>(ix) The fines stated above, be credited to Investor Education Protection fund.</p> <p>(x) On complying the with the regulation,the concerned stock exchange if satisfied</p> <p>(a) Intimate the depositories to unfreeze the shares of the promoter and promoter group</p> <p>(b) To ensure the direction imposed shall not continue</p> <p>(c) Disseminate the information in its website regarding the compliance achieved by the listed entity.</p> <p>(xi) Stock Exchange shall periodically disclose on their website the names of the non compliant entities, amount of fine imposed, freezing of shares held by the promoter and promoter group. The status of compliance including details regarding fine paid by the entity.</p>
--	--	--	--	--

3

RBI during the week

Notifications - 0; Master Directions –1 ; Master Circulars – 0; Circular - 0; Press Release - 0

S.No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	10.10.2017	Monthly Bulletin	<p>Monthly Bulletin for October 2017</p> <p>https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=41917</p>	<p>I. Non-Banking Finance Companies in India's Financial Landscape</p> <p>Highlights</p> <ul style="list-style-type: none"> • NBFCs are integrally involved in credit intermediation outside the regular banking system. • The nature of their operations and the regulatory framework, however, make them distinctly different from shadow banking entities in other countries. • Although India accounts for a

				<p>miniscule share of global shadow banking assets, high growth in credit by NBFCs-ND-SI has distinguished from peers in other countries.</p> <ul style="list-style-type: none"> • NBFCs primarily lend to the industrial sector, though retail credit has picked up recently. • While there has been some deterioration in asset quality of NBFCs in recent years, it is better than that of banks. • NBFCs also reported better profitability and capital positions. • Recent regulatory initiatives have been motivated by the objectives of financial stability, financial inclusion and harnessing of specialised domain expertise. <p>II. Consumer Confidence Survey Q2:2016-17 to Q1:2017-18</p> <p>The Reserve Bank's Consumer Confidence Survey (CCS) assesses consumer</p>
--	--	--	--	---

				<p>sentiments from 5,400 households across six cities. This article analyses four rounds of the survey carried out between September 2016 and June 2017.</p> <p>Highlights</p> <ul style="list-style-type: none"> • Consumers’ current perceptions on the general economic situation, the employment scenario and their own incomes deteriorated sharply since the second half of 2016-17, with the survey’s Current Situation Index (CSI) declining for three consecutive quarters between December 2016 and June 2017. • In contrast, the survey’s Future Expectations Index (FEI) reached an all-time high in December 2016, reflecting consumers’ expectations of an improvement in the macro economic outlook, including price and employment scenario. • Although the FEI has been ebbing in 2017, it remains in the expansion zone.
--	--	--	--	--

2	13.10.2017	Master Direction	Risk Management and Inter-Bank Dealings	Reporting regulations of the Banks have been revised vide this amendment
---	------------	------------------	--	--



Flat No.7, Door No.10 Madhans,
South Canal Bank Road,
Mandavelipakkam Chennai 600028.

mail@akshayamcorporate.com

www.akshayamcorporate.com;Land Line:044-43533080

The Information Contained herein is of general nature and is not intended to address the circumstances of any particular individual or entity. The views expressed here are solely those of the author in his private capacity.