

WEEKLY UPDATES ON COMPANY LAW ,SEBI AND RBI

Week 45 – November 06 – November 11, 2017

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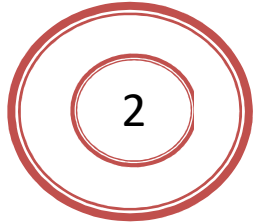
Companies Act 2013 during the week

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

S.No	Date of Issue	Rules/Circular/ Notification/order	Contents thereof	Gist thereof
1	06.11.2017	Rules-Notification	Companies (Filing of Documents and Forms in Extensible Business Reporting Language), Amendment, Rules, 2017.	<p>XBRL filing is compulsory under Sec. 137 for the following companies as Per Form AOC 4 – XBRL (Annexure I)</p> <ul style="list-style-type: none"> (i) companies listed with stock exchanges in India and their Indian subsidiaries; (ii) companies having paid up capital of five crore rupees or above; (iii) companies having turnover of one hundred crore rupees or above;

				<p>(iv) all companies which are required to prepare their financial statements in accordance with Companies (Indian Accounting Standards) Rules, 2015</p> <p>Provided that the companies preparing their financial statements under the Companies (Accounting Standards) Rules, 2006 shall file the statements using the Taxonomy provided in Annexure-II</p> <p>and</p> <p>companies preparing their financial statements under Companies (Indian Accounting Standards) Rules, 2015, shall file the statements using the Taxonomy provided in Annexure-II A</p> <p>The new taxonomy is available in Annexure II -A in the link given in contents thereof.</p>
2	07.11.2017	Rules- Notification	Companies (Accounts) Amendment Rules, 2017.	The form AOC 4 – for annual accounts filing has been amended with effect from 07.11.2017.

GENERAL IMPORTANT NOTICES	Remarks
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SEBI during the week

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

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

S.No	Date of Issue	Act/rules/circulars....	Subject & Link	Gist thereof
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RBI during the week

Notifications - 1; 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
1	07.11.2017	Notification	<p>Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017</p> <p>20(R)/2017-RB 07.11.2017</p>	<p>Key highlights of revised FEMA regulations issued by RBI on FDI:</p> <p>I. Issue of Capital Instruments</p> <p>Equity instruments, i.e., equity shares (including partly paid up shares), debentures, preference shares and share warrants have now been clubbed under one definition of “Capital Instruments.”</p> <p>Foreign Direct Investment, has been defined to mean investment through capital instruments by a person resident outside India in an unlisted Indian company, or in 10% or more in a listed</p>

				<p>Indian company.</p> <p>Foreign Portfolio Investment (FPI) means any investment made by a person resident outside India, where such investment is less than 10% of the post issue paid-up share capital on a fully diluted basis of a listed Indian company.</p> <p>Under the erstwhile regulation, general permission was available to issue shares upon merger/ demerger/ amalgamation, subject to prescribed conditions. Under the revised regulation, Indian companies can now issue any capital instrument pursuant to merger/ demerger/ amalgamation, subject to prescribed conditions.</p> <p>The timeline of issue of Capital Instruments has been aligned with the Companies Act, 2013. The period was 180 days under the erstwhile regulations. In case of non-issuance of capital instruments within 60 days, money will be required to be refunded within 15 days.</p> <p>It has been clarified that foreign</p>
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				<p>investment has to be calculated under a fully diluted basis, i.e., the total number of shares that would be outstanding if all possible sources of conversion are exercised.</p> <p>For computation of limits applicable to FPI (i.e. less than 10%), investment by investor group (i.e. the same set of ultimate beneficial owners investing through multiple entities) to be considered.</p> <p>II. Transfer of Capital Instruments</p> <p>The following transfers have now been permitted under the automatic route</p> <p>Transfer by non-resident of India (NRI) or OCI to person resident outside India by way of sale or gift subject to prescribed conditions;</p> <p>Transfer from person resident outside India to another person resident outside India pursuant to liquidation, merger, demerger, amalgamation of foreign companies.</p>
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				<p>III. NRI</p> <p>Consequent changes made in various regulations in relation to investment under Schedule 4 (NRI on non-repatriation basis) considered as investment by resident.</p> <p>IV. Other key highlights</p> <p>Foreign investment in Commodities Spot Exchange has been permitted up to 49% under the automatic route.</p> <p>The definition of “Downstream Investment” has been amended to include investment by Limited Liability Partnership (LLP)/ Investment Vehicle in downstream Indian company or LLP.</p> <p>RBI permitted to prescribe late payment fee for delay in reporting to it.</p>
2	09.11.2017	<p>Circular</p> <p>RBI/2017-18/87 DNBR.PD.CC.No.090 /03.10.001/2017-18</p>	<p>Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs</p> <p>https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=11160</p>	<p>Reserve Bank of India after being satisfied that it is necessary and expedient in the public interest so to do and with a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, hereby issues the Directions as set</p>

				<p>out in the Annex.</p> <p>NBFCs are advised to conduct a self-assessment of their existing outsourcing arrangements and bring these in line with the aforesaid Directions within two months from the date of this circular.</p> <p>The Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016, Core Investment Companies (Reserve Bank) Directions, 2016, Standalone Primary Dealers (Reserve Bank) Directions, 2016 and Non-Banking Financial Company - P2P (Reserve Bank) Directions, 2017 have been accordingly updated.</p>
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				<p>Gist of Direction:</p> <ul style="list-style-type: none"> (i) Introduction (ii) Activities that shall not be outsourced (iii) Material Outsourcing (iv) NBFC's role and Regulatory and Supervisory Requirements (v) Risk Management practices for Outsourced Financial Services (vi) Outsourcing within a Group/ Conglomerate (vii) Off-shore outsourcing of Financial Services
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