

LOVI MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

MONTHLY UPDATE FOR THE MONTH OF AUGUST 2017

(Circulars/ Notifications released during the
month of August 2017)

[RBI](#)

[SEBI](#)

[MCA](#)

31st August 2017

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I. RBI

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	RBI/2017-18/43 Dated: 10.08.2017	Reserve Bank Commercial Paper Directions, 2017	Reserve Bank had issued draft directions on Commercial Paper for public comments on February 02, 2017. Taking into account the comments received, The Reserve Bank Commercial Paper Directions, 2017 have been finalized and notified Notification
2.	RBI/2017-18/45 DNBR (PD).CC.No.89/03.10 .001/2017-18 August 14, 2017	Eligible Credit Rating Agencies- Rating of Fixed Deposits by Infomerics Valuation and Rating Private Limited (IVRPL)	Vide Master Directions dated August 25, 2016 on Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, names of six approved Credit Rating Agencies and their minimum investment grade credit ratings were notified. It has now been decided that NBFCs can also use the ratings of Infomerics Valuation and Rating Private Limited (IVRPL) for the purpose of rating the fixed deposit portfolios of NBFCs with IVR BBB as the minimum investment grade credit rating. Notification

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II. SEBI

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	SEBI/HO/MRD/D SA/CIR/P/2017/9 2 Dated: 01.08.2017	Action against Exclusively Listed Companies and its Promoters/Directors pending Exit Offer to the Shareholders	<p>SEBI had vide circular dated October 10, 2016, provided options to the Exclusively Listed Companies (ELCs) on Dissemination Board ("DB") to raise capital for meeting the capital requirement for getting listed on the nationwide stock exchanges or to provide exit to investors. The aforesaid circular also stipulated action against such ELCs, which remain non-compliant with the timelines prescribed :</p> <p>In order to protect the interest of investors in ELCs on DB, SEBI has now issued directions to ensure that exit option is provided to the public shareholders of ELCs that are non-compliant and have not submitted plan of action to the Designated Stock Exchanges (DSE)</p> <p>Circular</p>
2	CIR/MRD/DP/86/ 2017 Dated: 01.08.2017 CIR/MRD/DP/54/ 2017 dated June 13, 2017	Margin Trading Facility-Clarification	<p>SEBI had vide circular dated June 13, 2017 prescribed comprehensive framework for permitting stock brokers to provide margin trading facility to their clients</p> <p>Based on representations received , SEBI has now clarified that Stock brokers may borrow funds by way of issuance of CP ((in terms of the RBI guidelines))and by way of unsecured long term loans (in terms of the provisions of Companies Act 2013) from their promoters and directors.</p> <p>Circular</p>
3	CIR/CFD/CMD/93 /2017 Dated: 04.08.2017	Disclosures by listed entities of defaults on payment of interest/repayment of principal amount on loans from banks / financial institutions, debt securities, etc.	<p>SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") require disclosure of material events/information by listed entities to stock exchanges. These disclosures are in respect of certain matters such as delay/default in payment of interest/principal on debt securities, including listed Non-Convertible Debentures, listed Non-Convertible Redeemable Preference Shares, Foreign Currency Convertible Bonds (FCCBs) etc.</p> <p>Similar disclosures are presently not stipulated with respect to loans from banks and financial institutions which is a</p>

			<p>critical gap in the availability of information to investors,</p> <p>SEBI has now directed that disclosures shall be made to the stock exchanges when the entity has defaulted in payment of interest / installment obligations on debt securities (including commercial paper) Medium Term Notes (MTNs) Foreign Currency Convertible Bonds (FCCBs), loans from banks and financial institutions ,External Commercial Borrowings (ECBs) etc.</p> <p>Other aspects such as definition of default and timing of disclosure also notified.</p> <p>Circular</p>
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III.MCA

S.NO	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1	G.S.R.....(E) Dated: 23.08.2017	National Company Law Appellate Tribunal (Amendment) Rules' 2017	MCA has amended rules in respect of appearance of Authorised representative in any proceedings or appeal before the Appellate Tribunal. CA/CS /CWA/Legal practitioner can represent the party Officer not below the rank of Junior Time Scale or company prosecutor can represent the Central Government/RD/ROC. Notification
2	G.S.R.....(E) Dated: 24.08.2017	(Arrests in connection with Investigation by serious Fraud Investigation Office) Rules, 2017.	MCA has notified rules to deal with Arrest of company officials during the investigation into the affairs of the company by SFIO U/s 212 of the Companies Act, 2013 Procedure to be followed in the case of arrest including prior approvals to be obtained has been dealt with in detail in the notification Notification

Ministry of Company Affairs
Government of India

Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month.

Instead it is only a listing of some of the circulars/notifications that we considered important.