

# **LOVI MEHROTRA & ASSOCIATES**

CHARTERED ACCOUNTANTS

## **MONTHLY UPDATE FOR THE MONTH OF JULY 2017**

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

[RBI](#)

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**31<sup>st</sup> July 2017**

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## I. RBI

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	RBI/2017-18/7 RBI/2017-2018/6 Dated: 01.07.2017	Master Circular - Credit facilities to Scheduled Castes (SCs), Scheduled Tribes (STs) & Minority Communities	RBI has updated the Master circular relating to Credit Facilities to Minority Communities, Scheduled Castes (SCs) & Scheduled Tribes (STs) by incorporating instructions issued up to June 30, 2017.  <a href="#">Notification 1a</a> <a href="#">Notification 1b</a>
2.	RBI/2017-18/3 Dated: 03.07.2017	Master Circular – Facility for Exchange of Notes and Coins	RBI has updated the Master Circular dated July 18, 2016 containing instructions on the facility for exchange of notes and coins.  Soiled/ mutilated/ imperfect notes can be exchanged in all branches of banks in all parts of the country.  Procedure for exchange of Soiled/Mutilated/Imperfect Notes has been modified.  <a href="#">Notification</a>
3.	RBI/2017-18/16 Dated: 06.07.2017	Point of Presence (PoP) Services under Pension Fund Regulatory and Development Authority (PFRDA) for National Pension System (NPS)	NBFCs were hitherto prohibited from undertaking PoP Services under the PFRDA for NPS in terms of Circular-  ( <i>Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016</i> )  On review, RBI has now decided that NBFCs with asset size of ₹ 500 crore and above which comply with the prescribed CRAR (Capital to Risk Asset Ratio) and which made net profit in the preceding financial year be permitted to undertake PoP services under PFRDA for NPS after registration with PFRDA.  <a href="#">Notification</a>
4.	RBI/2017-18/17 Notification F.No. 4(20)-B/(W&M)/2017	Sovereign Gold Bonds 2017-18 – Series II	Government of India has notified the Sovereign Gold Bonds 2017 -18– Series II  <a href="#">Main features of the scheme</a>

	Dated: 06.07.2017		<p>Subscription period July 10, 2017 to July 14, 2017</p> <p><b>Date of issuance:</b> 28.07.2017</p> <p><b>Eligibility:</b></p> <ul style="list-style-type: none"> <li>• Person Resident in India(PRI) in his capacity or on behalf of minor or jointly with other individual</li> <li>• Trust, Charitable Institution and University</li> </ul> <p><a href="#">Notification</a></p>
5.	<p>RBI/2017-18/18</p> <p>IDMD.CDD.No.29/14 .04.050/2017-18</p> <p>Dated: 06.07.2017</p>	<p>Sovereign Gold Bonds, 2017-18 – Series II - Operational Guidelines</p>	<p>RBI has issued operational guidelines with regards to Sovereign Gold Bonds, 2017-2018-Series II.</p> <p><a href="#">Notification</a></p>
6.	<p>RBI/2017-18/21</p> <p>FIDD.MSME &amp; NFS.BC.No.10/06.02.31/2017-18</p> <p>Dated: 13.07.2017</p>	<p>Investment in plant and machinery for the purpose of classification as Micro, Small and Medium Enterprises – documents to be relied upon</p>	<p>Ministry of MSME, GOI had issued Master Direction FIDD.MSME&amp;NFS.3/06.02.31/2016-17 <b>dated July 21, 2016</b> 'Lending to Micro, Small &amp; Medium Enterprises (MSME) Sector.</p> <p>Further clarifications were issued vide Ministry of MSME, GoI Office Memorandum dated <b>March 8,2017 and May 31,2017</b> regarding the value of investment for the purpose of classification and the effective date of these provisions</p> <p>It has now further been clarified that the above provisions would be applicable to section 7 (1) (a) and section 7 (1) (b) of the MSMED Act, 2006 i.e. enterprises engaged in manufacturing of goods and rendering of services as well.</p> <p><a href="#">Notification</a></p>
7.	<p>RBI/2017-18/22</p> <p>DGBA.GBD. 69/15.02.005/2017-18 July 13, 2017</p> <p>Dated: 13.07.2017</p>	<p>Interest rates for Small Savings Schemes</p>	<p>Government of India had advised the rate of interest on various small savings schemes for the second quarter of the financial year 2017-18 vide Office Memorandum dated June 30,2017</p> <p>Vide this circular RBI has advised Agency Banks handling Public Provident Fund, Kisan Vikas Patra- 2014, Sukanya Samriddhi Account, Senior Citizen Savings Scheme-2004 to notify the same to their branches</p> <p><a href="#">Notification</a></p>

8.	RBI/2017-18/26 Dated: 20.07.2017	Master Circular – Detection and Impounding of Counterfeit Notes	RBI has updated Master circular dated July 20, 2016 in relation to Detection and Impounding of Counterfeit Notes with circulars and instructions issued upto June 30, 2017. <a href="#">Notification</a>
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## **II. SEBI**

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	IMD/FPIC/CIR/P/ 2017/74 Dated: 04.07.2017	Investments by FPIs in Government Securities	SEBI has revised the limit for investment by FPIs in Government Securities for the <b>July –September 2017</b> quarter.  <a href="#">Circular</a>
2.	SEBI/HO/IMD/DF 1/CIR/P/2017/75 Dated: 06.07.2017	Online Filing System for Foreign Venture Capital Investors	SEBI has introduced an online system for registration, reporting and filing under the provisions of FVCI Regulations related to Foreign Venture Capital Investors(FVCI). The online system can be used for application/ registration, reporting and filing under the provisions of FVCI Regulations.  <a href="#">Circular</a>
3.	CIR/IMD/FPI&C/7 6/2017 Dated: 07.07.2017	Guidelines for issuance of ODIs(Offshore Derivative Instruments), with derivative as underlying, by the ODI (ODI Investor) issuing FPIs	SEBI has issued guidelines for issuance of ODI by, FPI including guidelines in the case of existing ODIs and new ODIs to be issued with derivatives as underlying  <a href="#">Circular</a>
4.	CIR/CDMRD/DEIC E/CIR/P/2017/77 Dated: 11.07.2017	Amendment to Investor Grievance Redressal System and Arbitration Mechanism	SEBI, vide Circular No. CIR/CDMRD/DIECE/02/2015 dated November 16, 2015, mandated Investor Grievance Redressal System and Arbitration Mechanism to National Commodity Derivatives Exchanges.  In order to enhance the effectiveness of grievance redressal mechanism at Market Infrastructure Institutions (MIIs), SEBI has modified certain prescribed provisions of above mentioned circular.  <a href="#">Circular</a>

5.	SEBI/HO/CIR/P/2017/79 Dated: 11.07.2017	Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) and FPIs in IFSC-Amendment	SEBI had notified guidelines in respect of participation/functioning of Eligible Foreign Investors (EFIs) and FPIs in International Financial Services Centre vide SEBI Circular IMD/HO/FPIC/CIR/P/2017/003dated January 04, 2017.  SEBI has now decided to amend these guidelines in respect of participation of an EFI not registered with SEBI as an FPI, but desirous of operating in IFSC  <a href="#">Circular</a>
6.	SEBI/HO/IMD/DF 1/CIR/P/2017/83 Dated: 24.07.2017	Online Filing System for Real Estate Investment Trusts(REITs) and Infrastructure Investment Trusts(InvITs)	SEBI has introduced an online system for filings related to REITs and InvITs The online system can be used for application for registration, reporting and filing under the provision of SEBI (Real Estate Investment Trusts) Regulations, 2014 and SEBI (Infrastructure Investment Trusts) Regulations, 2014  <a href="#">Circular</a>
5	SEBI/HO /CIR/P/2017/ 85 Dated: 27.07.2017	Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015-Amendments	SEBI has decided to amend the provisions of the SEBI (IFSC) Guidelines, 2015 with regards to  <ol style="list-style-type: none"> <li>1. Eligibility and Shareholding in Stock Exchanges, Clearing Corporations and Depositories</li> <li>2. Governance of Stock Exchanges</li> <li>3. Intermediaries in IFSC</li> </ol> <a href="#">Circular</a>

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### **III.MCA**

S.NO	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	G.S.R. (E) dated: 05.07.2017	National Company Law Tribunal (Amendment) Rules, 20 17	<p>MCA has notified that after rule 87 of National Company Law Tribunal Rules, 2016, the following rule shall be inserted</p> <p><b>87A. Appeal or application under sub-section (1) of and sub-section (3) of section 252.</b></p> <p>Any person who is aggrieved by an order of Registrar, notifying a company as dissolved under section 248, may file an appeal before the tribunal in Form NCLT-9 for restoration of name of the company in register of Companies.</p> <p>A company, or any member or creditor or workman who feels aggrieved by the company having its name struck off from the register of companies may file an application before the Tribunal in Form NCLT-9.</p> <p><a href="#">Notification</a></p>
2.	G.S.R. (E) dated: 05.07.2017	(Appointment and Qualification of Directors) Amendment Rules, 2017	<p>MCA has inserted a following sub rule (2) after sub rule 1 of rule 4 and notified that the following classes of unlisted public companies are not required to appoint an Independent Director</p> <p>(a) joint venture;</p> <p>(b) a wholly owned subsidiary; and</p> <p>(c) a dormant company as defined under section 455 of the Act."</p> <p><a href="#">Notification</a></p>
3.	G.S.R. (E) Dated: 13.07.2017	Companies (Meetings of Board and its Powers) Second Amendment Rules, 2017.	<p>MCA has notified amendments to the Companies (Meetings of Board and its Powers) Rules, 2014 in respect of the following</p> <p>a) Participation by Director in a Meeting through electronic mode ( Rule 3 ( 3) ( e)</p> <p>b) Preservation and confirmation of Draft Minutes ( Rule 3 ( 11) ( a)</p> <p>c) Constitution of Audit committee and Nomination and Remuneration committee of the Board by certain class of companies ( Rule 6)</p> <p><a href="#">Notification</a></p>

4	G.S.R. (E) Dated 27.07.2017	Companies (Incorporation) Second Amendment Rules,2017	MCA has notified the <b>Companies (Incorporation) Second Amendment Rules, 2017</b> related to Shifting of Registered office (within the same state and from one state to another). <a href="#">Notification</a>
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**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.

