

LOVI MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

**MONTHLY UPDATE FOR THE MONTH OF
APRIL 2017**

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

[RBI](#)

[SEBI](#)

[MCA](#)

30th April 2017

Lovi Mehrotra & Associates

21-22, II Floor, Krishna Nagar,

Safdarjung Enclave,

New Delhi – 110029

www.lma.co.in

I. RBI

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	RBI/2016-17/281 dated: 18.04.2017	Guidelines on compliance with Accounting Standard (AS) 11 [The Effects of Changes in Foreign Exchange Rates] by banks	<p>Banks have been recognizing gains in profit & loss account from Foreign Currency Translation Reserve on repatriation of accumulated profits / retained earnings from overseas branches by treating the same as partial disposal under AS 11.</p> <p>RBI has clarified that the repatriation of accumulated profits shall not be considered as disposal or partial disposal of interest as per AS 11. Accordingly, banks shall not recognise in the profit and loss account the proportionate exchange gains or losses held in the foreign currency translation reserve on repatriation of profits from overseas operations</p> <p>Notification</p>
2.	S.O.4061 E dated: 19.04.2017	Amendment to Pradhan Mantri Garib Kalyan Deposit Scheme, Notification No.S.O.4061 E	<p>RBI has amended clause 5 of Pradhan Mantri Garib Kalyan Scheme which stipulates that the effective date of opening of the Bonds Ledger Account shall be the date of receipt of deposits by the RBI from the authorized banks, wherein the due tax, surcharge and penalty has been received till 31st March, 2017;</p> <p>Further, there will no extension in the date of deposit after 30th April, 2017.</p> <p>Notification</p>
3.	RBI/2016-17/289 dated: April 20, 2017	Sovereign Gold Bonds 2017-18 – Series I	<p>Government of India has vide Notification F.No. 4(8)-(W&M)/2017 dated April 20, 2017 notified the Sovereign Gold Bonds 2017 -18- Series I</p> <p><u>Main features of the scheme</u></p> <p>Subscription period April 24, 2017 to April 28, 2017</p> <p>Date of issuance: 12.05.2017</p> <p>Eligibility:</p> <ul style="list-style-type: none"> • Person Resident in India(PRI) in his capacity or on behalf of minor or jointly with other individual

			<ul style="list-style-type: none">• Trust, Charitable Institution and University <p>Notification</p>
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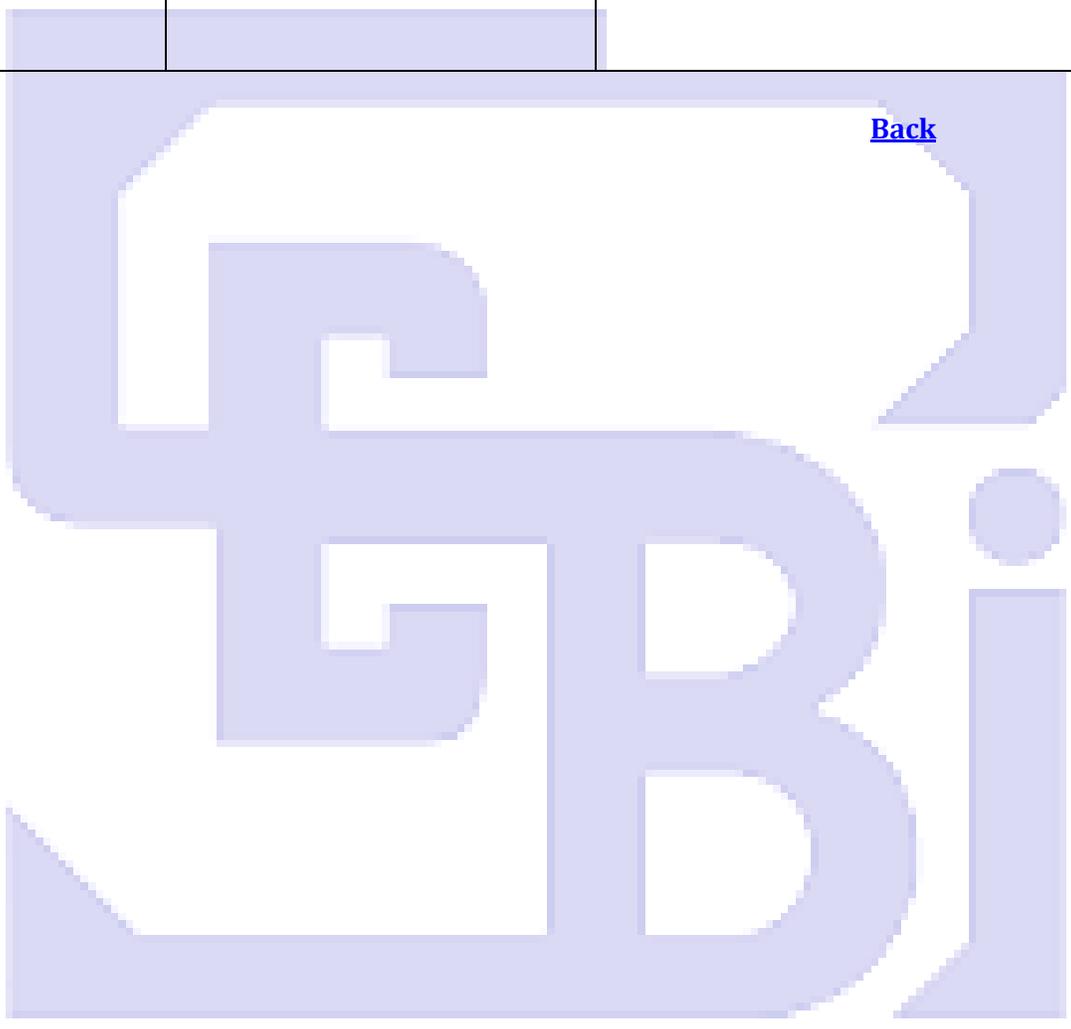


II. SEBI

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	SEBI/HO/MIRSD /MIRSD4/CIR/P/ 2017/28 dated: 31.03.2017	Enhanced Standards for Credit Rating Agencies (CRAs)	SEBI, in consultation with CRA's and on representation received from industry has issued clarifications in respect of the processes followed by CRAs in respect of ratings assigned by them. Circular
2.	SEBI/HO/MRD/D RMNP/CIR/P/20 17/31 dated: 13.04.2017	Inclusion of "Derivatives on Equity shares"-IFSC	SEBI, based on recommendation received from Risk Management Review Committee has decided to specify " <i>Derivatives on equity shares of a company incorporated in India</i> " as permissible security under sub-clause (vi) of Clause 7 of SEBI (IFSC) Guidelines, 2015. SEBI registered Foreign Portfolio Investors (FPIs), operating in IFSC (International Financial Services Centers) and eligible entities which are incorporated and operating in IFSC shall be eligible to trade in 'derivatives on equity shares'. Market Wide Position Limit(MWPL) in respect of Derivatives on equity shares is specified in the Circular Circular
3.	SEBI/HO/MRD/D SA/CIR/P/2017/ 34 dated: 27.04.2017	Securities and Exchange Board of India (International Financial Services Centers) Guidelines, 2015-IFSC Banking Units (IBUs) acting as Trading Member or Professional Clearing Member on stock exchanges/clearing corporations in IFSC	Clause 8 of SEBI (IFSC) Guidelines, 2015 which were notified on 27 th March, 2017 provided that "Any recognised entity or entities desirous of operating in IFSC as an intermediary, <i>may form a company</i> to provide such financial services relating to securities market, as permitted by the Board". On representations received from the market participants and Reserve Bank of India (RBI), it is clarified that an IFSC Banking Unit (IBU) set up in IFSC shall be permitted to act as a Trading Member of an exchange or a Professional Clearing Member of a clearing corporation in IFSC, without forming a separate company. Circular
4.	SEBI/HO/IMD/D F2/CIR/P/2017/	Circular on Mutual Funds	SEBI has modified the disclosure requirements for

	35 dated: 28.04.2017		Mutual Funds/Asset Management Companies in respect of Executive Remuneration. With the underlying objective to promote transparency in remuneration policies, SEBI has made certain modifications in the existing circular with respect to the disclosure requirement in respect of Executive Remuneration by MFs/AMCs. Circular
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III.MCA

S.NO	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	G.S.R. (E) dated: 12.04.2017	Companies (Removal of Name of companies from the Register of Companies) Amendment Rules, 2017	MCA has amended Rule 7 of Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016, which stipulates that the notice to be placed on official gadget or published in official website or newspaper for removal of name of the Companies falling U/s 248 (1) shall be in Form STK 5A. Notification
2	GSR dated: 13.04.2017	Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2017	MCA has amended Rule 25 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2017 which states that: <ul style="list-style-type: none">• A foreign company incorporated outside India may merge with an Indian company and a company may merge with a foreign company incorporated in any jurisdiction specified in the notification after obtaining prior approval of RBI and after complying with the provisions of Section 230 to 232 of the Companies Act, 2013• The valuation shall be conducted by a recognized professional body in the jurisdiction of the transferee company and should be in accordance with Internationally accepted principles of accounting and valuation.• The concerned company shall file an application before tribunal as per provisions of Sec 230 to 232 of the Act. Notification

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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.