

# **LOVI MEHROTRA & ASSOCIATES**

CHARTERED ACCOUNTANTS

## **MONTHLY UPDATE FEBRUARY 2017**

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

[RBI](#)

[SEBI](#)

**28<sup>th</sup> February, 2017**

[MCA](#)

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# I. RBI

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	RBI/2016-17/219 <b>dated: 02.02.2017</b>	Review of Guidelines on "Pricing of Credit"	<p>RBI has modified its instructions to NBFC-MFIS (Non-Banking Financial Company- Micro Finance Institutions) on pricing of credit</p> <p>"NBFC-MFIs shall ensure that the average interest rate on loans sanctioned during a <b>quarter</b> does not exceed the average borrowing cost during the <b>preceding quarter</b> plus the margin, within the prescribed cap"</p> <p>(earlier instructions referred to the borrowing cost during the <b>financial year</b>)</p> <p><a href="#">Notification</a></p>
2.	RBI/2016-17/221 RBI- Financial Markets Regulation Department <b>dated 02.02.2017</b>	Risk Management and Inter-bank Dealings: Permitting Non Resident Indians (NRIs) access to Exchange Traded Currency Derivatives (ETCD) market	<p>With a view to enable additional hedging products for NRIs to hedge their investment in India, RBI has allowed NRIs access to the Exchange traded currency derivatives (ETCD) market to hedge currency risk arising out of their investments in India under FEMA 1999.</p> <p>Terms and conditions for NRIs to access the ETCD market notified.</p> <p><a href="#">Notification</a></p>
3.	Notification No S.O. 4061 E <b>dated 07.02.2017</b>	Amendment to Pradhan Mantri Garib Kalyan Deposit Scheme	<p>Government of India has amended clause 4(4) of the Pradhan Mantri Garib Kalyan Deposit Scheme, 2016 and has decided to allow declarants to make deposits on one or more occasions.</p> <p>The deposits shall be made before filing declaration under sub-section (1) of section 199C.</p> <p><a href="#">Notification</a></p>
4.	RBI/2016-17/224 <b>dated 08.02.2017</b>	Removal of limits on withdrawal of cash from Saving Bank Accounts	RBI has removed the restriction on cash withdrawal from Current / Cash credit /Overdraft accounts and ATMs effective January 31, 2017 and February 01, 2017

			<p>respectively and decided to remove restriction on saving a/c in two step process:</p> <p>i. Effective February 20, 2017, the limits on cash withdrawals from the Savings Bank accounts will be enhanced to 50,000 per week</p> <p>ii. Effective March 13, 2017, there will be no limits on cash withdrawals from Savings Bank accounts</p> <p><a href="#">Notification</a></p>
5.	RBI/2016-17/229 dated: 16.02.2017	Repayment of Gold Loan	<p>RBI has increased the limit of loan granted against the security of gold/ gold ornaments by Regional Rural Banks from Rs. 1 Lac to Rs. 2 Lac subject to prescribed conditions.</p> <p>Crop loans sanctioned against the collateral security of gold/gold ornaments shall continue to be governed by the extant income recognition, asset classification and provisioning norms for such loans.</p> <p><a href="#">Notification</a></p>
6	RBI/2016-17/234 dated: 23.02.2017	Sovereign Gold Bonds 2016-17 – Series IV	<p>Government of India notifies the Sovereign Gold Bond 2016-2017- Series-IV</p> <p>Notification deals with the main features of the scheme including the following</p> <p><b>Subscription period:</b> February 27, 2017 to March 03, 2017</p> <p><b>Date of issuance:</b> March 17,2017</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>
7	RBI/FED/2016-17/52 dated: 22.02.2017	Master Direction – Money Transfer Service Scheme (MTSS)	<p>RBI has issued Master Direction – Money Transfer Service Scheme (MTSS) dealing with personal remittances from abroad to beneficiaries in India.</p> <p><a href="#">Notification</a></p>

## **II. SEBI**

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	SEBI/HO/CFD/CMD/CIR/P/2017/10  dated: 06.02.2017	Integrated Reporting by Listed Entities	<p>SEBI has mandated the requirement of submission of Business Responsibility Report (BRR) for top 500 listed entities under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR").</p> <p>Key principles which are required to be reported by the entities pertain to areas such as environment, governance, stakeholder's relationships etc</p> <p>The purpose of integrated reporting is to provide shareholders and interested stakeholders with relevant information that is useful for making investment decisions.</p> <p><a href="#">Circular</a></p>
2.	IMD/FPIC/CIR/P/2017/12  dated: 14.02.2017	Submission of Monthly Reports by Custodians of Securities	<p>In partial modification of its earlier instructions, SEBI has advised custodians to submit the monthly reports latest by either the end of the third working day of the succeeding month or the 5th of the succeeding month, whichever is later.</p> <p>(as against 7<sup>th</sup> of the succeeding month in terms of the previous circular dated 21-07-2008)</p> <p><a href="#">Circular</a></p>
3.	SEBI/HO/IMD/DF2/CIR/P/2017/13  dated: 20.02.2017	Participation in derivatives market by Mutual Funds	<p>Existing schemes of the Mutual Funds, whose Scheme Information Document (SID) does not envisage investments in derivatives, are required to obtain positive consent from majority of the unit holders before commencing investment in derivatives.</p> <p>Based on representations received SEBI has decided that for introduction of derivative investments in such schemes, the requirement of obtaining positive</p>

			<p>consent from majority of unit holders shall no longer be applicable.</p> <p>However, prior to the scheme commencing participation in derivatives, all investors of such schemes shall be given exit option with no exit load for 30 days as against exit option to only dissenting unit holders mandated earlier</p> <p><a href="#">Circular</a></p>
4.	SEBI/HO/DMS/CIR/P/2017/15 dated: 23.02.2017	Amendment pursuant to comprehensive review of Investor Grievance Redressal Mechanism	<p>With the objective of enhancing the effectiveness of grievances redressal mechanism at Market Infrastructure Institutions (MIIs), SEBI has decided to revamp the grievance redressal mechanism at Stock Exchanges and Depositories (wherever applicable)</p> <p>The modified Investor Grievance Resolution Panel (IGRP) Arbitration Mechanism has been notified.</p> <p><a href="#">Circular</a></p>

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### **III. MCA**

S.NO	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	Circular No. 01/2017  dated: 22.02.2017	Section 391(2) closure of business by Foreign Company	Ministry has issued clarification related to scope of applicability of section 391 (2) for closure of the place of business of a foreign company in India  <b>Clarification:</b>  Section 391 (2) of the Companies Act 2013 would apply only in case of a foreign company which has issued prospectus or IDR's pursuant to provisions of Chapter XXII of the Act .  <a href="#">Circular</a>

#### **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.