

LOVI MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

MONTHLY UPDATE MARCH 2017

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

[RBI](#)

[SEBI](#)

[MCA](#)

31st March, 2017

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I. RBI

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	FEMA.385/2017-RB dated: 03.03.2017	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Second Amendment) Regulations, 2017	RBI has amended regulation 5 (9) of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 stipulating that a Person Resident outside India (PROI) may contribute in the capital structure of LLP under FDI. Notification
2.	RBI/2016-17/245 dated: 09.03.2017	Disbursal of loan amount in cash	Para 37(iii) (b) of NBFC- Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 stipulates that high value loans against gold of ₹1 lakh and above must only be disbursed by cheque. In order to harmonise it with the requirements under Sec 269 SS and 269 T of the Income Tax Act 1961, necessary changes have been incorporated in the Master Directions referred to above and the above Para to the 37(iii) (b) stands deleted Notification
3.	FEMA.387/2017-RBI dated 09.03.2017	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Fourth Amendment) Regulations, 2017	RBI has issued Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) amendment Regulations, 2017 in which B2B Ecommerce activities and market place model of e-commerce will be allowed 100% FDI under automatic route after fulfilling prescribed conditions. Notification

4.	RBI/2016-17/254 dated: 21.03.2017	Risk Management and Inter-bank Dealings: Operational flexibility for Indian subsidiaries of Non-resident Companies	With a view to providing operational flexibility to multinational entities and their Indian subsidiaries exposed to currency risk arising out of current account transactions emanating in India, the extant hedging guidelines have been amended as per the terms and conditions enumerated in Annexure to the Circular Notification
5.	RBI/2016-17/256 dated 24.03.2017	All Agency Banks to remain open for public on all days from March 25, 2017 to April 1, 2017	GOI has advised that all Pay and Account Offices will remain open on all days from March 25, 2017 up to April 1, 2017 to facilitate government receipt and payment functions. Reversing its earlier order, the Reserve Bank (RBI) on 29 th March, 2017 said the bank branches dealing in government businesses need not remain open on April 1 in view of the annual closing business. Notification

[Back](#)

II. SEBI

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CFD/DIL3/CIR/2017/21 dated: 10.03.2017	Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957	SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 lays down the detailed requirements to be complied with by listed entities while undertaking schemes of arrangements. In consultation with the Stock exchanges and market participants, it has been decided to revise the regulatory framework for such schemes of arrangement. Certain regulations as mentioned in this circular have been amended. Circular
2.	SEBI/HO/CFD/D CR1/CIR/P/2017/22 dated: 15.03.2017	SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 ('SAST Regulations')	SEBI has decided, to revise the time period for which information is required to be filed by Merchant Bankers with the Draft Letter of Offer, to bring it in line with the provisions relating to maintenance of records under the Companies Act, 2013 Circular
3.	CIR/IMD/DF/23/2017 dated: 15.03.2017	Review of advertisement guidelines for Mutual Funds	With an objective to disclose Mutual Fund scheme's performance related information in a more effective and simple manner in advertisements, it has decided that Performance of Mutual Fund schemes shall be advertised in terms of CAGR for the past 1 year, 3 years, 5 years and since inception; in place of current requirement to publish scheme's returns for as many twelve month periods as possible for the past 3 years. Circular
4.	SEBI/HO/MRD/D RMNP/CIR/P/2017/24 dated: 16.03.2017	Disclosures relating to regulatory orders and arbitration matters on websites of Clearing Corporations	SEBI has directed that Clearing Corporations shall post all regulatory orders and arbitral awards issued since June 20, 2012 on their website within 30 days. Further, all regulatory orders and arbitration / appellate awards as and when issued by Clearing Corporations from the date of this circular shall be posted on their website immediately.

			Circular
6.	SEBI/HO/MRD/D SA/CIR/P/2017/ 27 dated: 27.03.2017	Exclusively listed companies of De-recognized/Non- operational/Exited Stock Exchanges placed on the Dissemination Board	SEBI vide circular dated October 10, 2016 provided a period of three months to the Exclusively Listed Companies (ELCs) on the Dissemination Board (DB) to submit an action plan to list or to provide exit to shareholders to the designated stock exchanges. This time period which was earlier extended up to March 31, 2017 has now been further extended up to June 30, 2017 Circular

[Back](#)

III.MCA

S.NO	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	G.S.R. 258(E) dated: 17.03.2017	(Indian Accounting Standards) (Amendment) Rules, 2017	MCA has issued (Indian Accounting Standards) (Amendment) Rules, 2017 making certain changes in the provisions of IND AS 102 (Share Based Payment). Notification

[Back](#)

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.

Ministry of Company Affairs
Government of India