



The Companies Act 2013

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E-newsletter

SEPTEMBER, 2016

About the E-newsletter

Dear Users,

To keep you updated about the latest notifications, circulars & orders issued during the month, thecompaniesact2013.com present herewith its monthly e-newsletter. This is the issue of the September month comprising contemporary articles & monthly amendments.

The notion is to render all the updates in a compiled format and serve a better pavement for easy accessibility.

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Registration of NBFC



➤ Introduction

The financial sector in any economy consists of several intermediaries. Apart from banking entities, there are investment intermediaries (such as mutual funds, hedge funds, pension funds, and so on), risk transfer entities (such as insurance companies), information and analysis providers (such as rating agencies, financial advisers, etc), investment banks, portfolio managers and so on.

All such entities that offer financial services other than banking, may be broadly called non-banking financial institutions.

➤ Definition

A Non-Banking Financial Company (NBFC) is a company incorporated under the Companies Act, 2013 or any previous act and holding Certificate of Registration (COR) as NBFC issued by RBI. Such companies are engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

➤ Difference between BANK & NBFC:

NBFCs lend and make investments and hence their activities are akin to that of banks; however there are a few differences as given below:

- i. NBFC cannot accept demand deposits;
- ii. NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself;
- iii. deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

➤ Types/categories of NBFCs registered with RBI

NBFCs are categorized a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, b) non deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND) and c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

I. Asset Finance Company (AFC) : An AFC is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising there from is not less than 60% of its total assets and total income respectively.

II. Investment Company (IC): IC means any company which is a financial institution carrying on as its principal business the acquisition of securities,

III. Loan Company (LC): LC means any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.

IV. Infrastructure Finance Company (IFC): IFC is a non-banking finance company a) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of 300 crore, c) has a minimum credit rating of 'A 'or equivalent d) and a CRAR of 15%.

V. Systemically Important Core Investment Company (CIC-ND-SI): CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:-

(a) it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;

(b) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;

(c) it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;

(d) it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.

(e) Its asset size is Rs. 100 crore or above and

(f) It accepts public funds

VI. Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC) : IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5 year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.

VII. Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI): NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:

a. loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding Rs. 1,00,000 or urban and semi-urban household income not exceeding Rs. 1,60,000;

b. loan amount does not exceed Rs. 50,000 in the first cycle and Rs. 1,00,000 in subsequent cycles;

c. total indebtedness of the borrower does not exceed Rs. 1,00,000;

d. tenure of the loan not to be less than 24 months for loan amount in excess of Rs. 15,000 with prepayment without penalty;

e. loan to be extended without collateral;

f. aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;

g. loan is repayable on weekly, fortnightly or monthly installments at the choice of the borrower

VIII. Non-Banking Financial Company – Factors (NBFC-Factors): NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 50 percent of its total assets and its income derived from factoring business should not be less than 50 percent of its gross income.

IX. Mortgage Guarantee Companies (MGC) - MGC are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is Rs. 100 crore.

X. NBFC- Non-Operative Financial Holding Company (NOFHC) is financial institution through which promoter / promoter groups will be permitted to set up a new bank .It's a wholly-owned Non-Operative Financial Holding Company (NOFHC) which will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.

Registration of NBFCs with RBI

➤ A company incorporated under the Companies Act, 2013 or any previous act and desirous of commencing business of non-banking financial institution as defined under Section 45 IA of the RBI Act, 1934 should comply with the following:

- i. It should be a company registered under **Section 3** of the companies Act, 2013
- ii. It should have a minimum net owned fund of Rs 200 Lakh.

➤ **Steps Required For Formation Of New NBFC:**

Step-1

Formation of Company: The first step is to form a new Company registered under the Companies Act, 2013. The name must reflect the character of an NBFC. Words such as Investment, Fininvest, Finstock, Finance etc. may be used as part of the name. In general, RBI does not allow names which are not reflecting the characteristics of NBFC.

Step-2

Minimum Net Owned Fund: After the incorporation of a new company the Paid up Equity Capital of the Company should suitably raised to attain a minimum Net Owned Fund of Rs. 2 crores. The Capital to be raised here should be Equity Share Capital and not Preference Share Capital.

Step-3

Investment in Fixed Deposits: The sum of Rs. 2 crores should be invested in Fixed Deposit with no lien.

Step-4

Apply for Certificate of Registration to RBI along with Required Documents

- The applicant company is required to apply online and submit a physical copy of the application along with the necessary documents to the Regional Office of the Reserve Bank of India.
- The Online application form can be download from RBI's secured website <https://cosmos.rbi.org.in> .
- From now onwards, there would be two different types of applications for non-deposit taking NBFCs (NBFC-ND) based on Sources of Funds & Customer Interface as follows:
 - (a) Type I - NBFC-ND not accepting public funds¹/ not intending to accept public funds in the future and not having customer interface²/ not intending to have customer interface in the future
 - (b) Type II - NBFC-ND accepting public funds/ intending to accept public funds in the future and/or having customer interface/intending to have customer interface in the future
- At this stage, the applicant company will not need to log on to the COSMOS application and hence user ids are not required. For submitting online application user has to enter on "CLICK" tab provided on Company Registration on the login page of the COSMOS Application. A window showing the Excel application form available for download would be displayed. The company can

then download suitable application form (i.e. NBFC or SC/RC) from the above website, key in the data and upload the application form.

- The processing of cases for Type I - NBFC-ND applicants would be on fast track mode. As these companies will not have access to public fund and will not have customer interface, they will be subjected to less intensive scrutiny / due diligence.
- The company may note to indicate the correct name of the Regional Office in the field “C-8” of the “Annex-I identification Particulars” in the Excel application form.
- Thereafter, the company has to submit online application form on COSMOS Website and then company would then get a Company Application Reference Number for the COR application filed on-line.
- CoR issued to Type I - NBFC-ND companies will be conditional. These companies will be prohibited from accessing public funds and having customer interface. In case these companies intend to avail public fund or intend to have customer interface in the future, they are required to take approval from Reserve Bank of India, Department of Non-Banking Regulation.
- With the aim to centralize the process, the application for new NBFCs may be submitted to Central Office, Department of Non-Banking Regulation directly at the following address:

*Chief General Manager
Department of Non-Banking Regulation
Reserve Bank of India
Centre I, World Trade Centre
Mumbai-400 005*

- The application form and an indicative checklist of the documents required to be submitted along with the application is available at https://www.rbi.org.in/Scripts/BS_ViewNBFCForms.aspx → [Forms/ Returns](#).
- The following Annexure along with documents required as per checklist available for registration of NBFC on RBI's Website are required to be filed along with the application form:
 - ✚ Annexure-I,
 - ✚ Annexure-II
 - ✚ Annexure-III*.
- *Annexure-III is submitted in respect of all the directors of the applicant company.

Step-5

- **Filing of some additional Documents:** In addition to the documents required to be enclosed along with Application Form the following should also be enclosed:
 - ✓ Copy of Signatory Details showing name of all present directors, available on MCA Portal.
 - ✓ Copy of Form PAS-3 Return of allotment of Shares, with receipt.
 - ✓ Experience Certificate or Details of Experience of Directors, if any, in NBFC Business.

- ✓ Bankers Report in the format prescribed by RBI with the request to Bank to send the same in original directly to RBI.
- ✓ Bankers Report of all the Firms/Company/ Proprietorship Concern in which director holds substantial interest
- ✓ Declaration from Directors to give affect that they are not associated with unincorporated bodies U/s 45-S of RBI Act, 1934 Specimen declaration is enclosed herewith marked
- ✓ Undertaking from the directors that they do not hold directorship with/without substantial interest in any unincorporated bodies
- ✓ Declaration by the company to own electronic infrastructure and its capability regarding electronic submission of data through the internet as and when required by Reserve Bank of India. Email id of the company should also be provided.
- ✓ Whether any prohibitory order was issued in the past to the company or any other NBFC/RNBC with which the directors/promoters etc. were associated? If yes, details there of.
- ✓ Whether the company or any of its directors was/is involved in any criminal case, including under section 138(1) of the Negotiable Instruments Act? If yes, details thereof.
- ✓ Board Resolution specifically approving the submission of the application and its contents and authorising signatory.
- ✓ Are there are any incidents of non-compliance with the directions of Revenue Authorities or any other statutory authority by the applicant company, its holding company/ subsidiaries, If yes, give particulars, else report "Nil"
- ✓ Statutory Auditors Certificate certifying that the company is/does not accept/is not holding Public Deposit.
- ✓ Statutory Auditors Certificate certifying that the company is not carrying on any NBFC activity.
- ✓ Statutory Auditors Certificate certifying net owned fund as on date of the application
- ✓ Statutory Auditors Certificate certifying that there is no FDI in the company
- ✓ Certification of Auditor in regards to Shareholding pattern of the company as on Date of Application
- ✓ Details of Authorised Share Capital and latest shareholding pattern of the company including the percentages.
- ✓ Details of the bank balances/bank accounts/complete postal address of the branch/bank.
- ✓ Details of unsecured loans if any, raised by the company from others (including the directors) during the year and if these fall in the exempted category of Public deposits certified by the Auditor.
- ✓ A certificate of Chartered Accountant regarding details of group/associate/subsidiary/holding/related companies.

- ✓ Source of the startup capital of the company substantiated with documentary evidence along with Self attested Bank Statement/IT returns of shareholders for F.Y._____
- ✓ Details of mergers and acquisition with/of other companies if any together with supporting documents.
- ✓ Is the company engaged in any capital market activity? If so, whether there has been any non-compliance with SEBI Regulations? (Statement to be certified by Auditors).
- ✓ Whether the company was granted any permission by FED to function as Full-fledged Money Changers? If so, copy of the RBI letter granting the permission.

For all these formats kindly mail us @ contact@thecompaniesact2013.com.

Step-6

Granting of Certificate: After the application is filed, the same is examined by RBI and further documents and clarifications may be sought from time to time. Finally if RBI considers that the application is complete in all respects and all required documents and information is furnished to its satisfaction , it may grant Certificate of Registration to carry on the business of NBFC not accepting public deposits or else the application is returned.

It may be noted that when applications are filed at the Regional Office, they vet the application and if everything is found by them in order they send the same to Central Office for further examination and approval.

However if the application is not in order they send back the application and pointing out the defects. At this stage the applicant should not be disheartened and the defects should be cured and the application should again be filed. Finally if Central Office approves the Application, the Regional Office will issue certificate of Registration.

NOTIFICATIONS



A. S.O. 2843 (E) Designation of Special Court

Dated 01.09.2016

In exercise of the powers conferred by sub-section (1) of section 435 of the Companies Act, 2013 (18 of 2013), the Central Government hereby, with the concurrence of the Chief Justice of the High Courts of Chhattisgarh, Rajasthan, Punjab and Haryana, Madras and Manipur, designates the following Courts as Special Courts for the purposes of providing speedy trial of offences punishable with imprisonment of two years or more under the Companies Act, 2013, namely:-

TABLE

Sl.No	Existing Court	Jurisdiction as Special Court
(1)	(2)	(3)
1.	Sessions Judge, Bilaspur	State of Chhattisgarh
2.	Court of Special Judge, (Sati Niwaran), Jaipur	State of Rajasthan
3.	Court of Sessions Judge and 2nd Additional Sessions Judge, S.A.S. Nagar	State of Punjab
4.	Court of Sessions Judge and 2nd Additional Sessions Judge, Gurgaon	State of Haryana
5.	Court of Sessions Judge and 2nd Additional Sessions Judge, Chandigarh	Union Territory of Chandigarh
6.	I Additional District and Sessions Court, Coimbatore	Districts of Coimbatore, Dharmapuri, Dindigul, Erode, Krishnagiri, Namakkal, Nilgiris, Salem and Tiruppur.
7.	II Additional District and Sessions Court, Puducherry	Union Territory of Puducherry
8.	Sessions Judge, Imphal East	State of Manipur

2. The aforesaid Courts mentioned in column number (2) shall exercise the jurisdiction as Special Courts in respect of jurisdiction mentioned in column number (3).

B. S.O. 2866 (E) Notification: Sub-section (3) of section 1 of the Companies Act, 2013(18 of 2013)

Dated 05.09.2016

In exercise of the powers conferred by sub-section (3) of section 1 of the Companies Act, 2013 (18 of 2013), the Central Government hereby appoints 7th September, 2016 as the date on which the provisions of section 124, sub-sections (1) to (4), (6) [with respect to the manner of administration of the Investor Education and Protection Fund] and (8) to (11) of section 125 of the said Act shall come into force.

C. G.S.R (E) Investor Education and Protection Fund Authority (Appointment of Chairperson and Members, holding of meetings and Provision for offices and officers) Amendment Rules, 2016

Dated 05.09.2016

In exercise of the powers conferred by section 469 read with subsections (5), (6) and (7) of section 125 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Investor Education and Protection Fund Authority (Appointment of Chairperson and Members, holding of meetings and provision for offices and officers) Rules, 2016, namely:-

1. (1) These rules may be called Investor Education and Protection Fund Authority (Appointment of Chairperson and Members, *holding* of meetings and provision for offices and officers) Amendment Rules, 2016.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Investor Education and Protection Fund Authority (Appointment of Chairperson and Members, holding of meetings and provision for offices and officers) Rules, 2016, after rule 3, the following rule shall be inserted, namely:-
"3A. The Authority shall be a body corporate by the name aforesaid having perpetual succession and a common seal with power to acquire, hold and dispose of property, both movable and immovable, and to contract and shall, by the said name, sue or be sued."

D. G.S.R. (E) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 Dated 05.09.2016

In exercise of the powers conferred by sub-sections (1), (2), (3), (4), (8), (9), (10) and (11) of section 125 and sub-section (6) of section 124 read with section 469 of the Companies Act, 2013 (13 of 2013). The Central Government makes the abovementioned rules, which can be read in detail at thcompaniesact2013.com

E. S.O.2912 (E) commencement notification Dated 09.09.2016

In exercise of the powers conferred by sub-section (3) of section 1 of the Companies Act, 2013 (18 of 2013), the Central Government hereby appoints 9th September, 2016 as the date on which the provisions of section 227, clause (b) of sub-section (1) of section 242, clauses (c) and (g) of sub-section (2) of section 242, section 246 and sections 337 to 341 (to the extent of their applicability for section 246), of the said Act shall come into force.

F. G.S.R.877 (E) Companies (Mediation and Conciliation) Rules, 2016. Dated 09.09.2016

In exercise of the powers conferred under section 442 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the abovementioned rules, which can be read in detail at thcompaniesact2013.com

G. S.O. 2922 (E) Notification for amendment to Schedule V of Companies Act, 2013

Dated 12.09.2016

In exercise of the powers conferred by sub-sections (1) and (2) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendments to amend Schedule V of the said Act, namely:—

2. In Schedule V of the Companies Act, 2013,-

(a) in Part I, in Appointments,-

(i) in para (a), for sub-paragraph (vi), the following sub-paragraph shall be substituted, namely;-

“(vi) the Companies Act,2013 (18 of 2013) or any previous company law”

(b) in part II, for section II, the following section shall be substituted, namely:-

“Section II

Remuneration payable by companies having no profit or inadequate profit without Central Government approval

Where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate, it may, without Central Government approval, pay remuneration to the managerial person not exceeding the limits under (A) and (B) given below:-

(A):

(1)	(2)
Where the effective capital is	Limit of yearly remuneration payable shall not exceed (Rupees)
(i) Negative or less than 5 crores	60 lakhs
(ii) 5 crores and above but less than 100 crores	84 lakhs
(iii) 100 crores and above but less than 250 crores	120 lakhs
(iv) 250 crores and above	120 lakhs plus 0.01% of the effective capital in excess of Rs. 250 crores:

Provided that the above limits shall be doubled if the resolution passed by the shareholders is a special resolution.

Explanation.- It is hereby clarified that for a period less than one year, the limits shall be pro-rated.

(B) In case of a managerial person who is functioning in a professional capacity, no approval of Central Government is required, if such managerial person is not having any interest in the capital

of the company or its holding company or any of its subsidiaries directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the company or its holding company or any of its subsidiaries at any time during the last two years before or on or after the date of appointment and possesses graduate level qualification with expertise and specialized knowledge in the field in which the company operates:

Provided that any employee of a company holding shares of the company not exceeding 0.5% of its paid up share capital under any scheme formulated for allotment of shares to such employees including Employees Stock Option Plan or by way of qualification shall be deemed to be a person not having any interest in the capital of the company:

Provided further that the limits specified under items (A) and (B) of this section shall apply, if-

- (i) payment of remuneration is approved by a resolution passed by the Board and, in the case of a company covered under sub-section (1) of section 178 also by the Nomination and Remuneration Committee;
- (ii) the company has not committed any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person and in case of a default, the company obtains prior approval from secured creditors for the proposed remuneration and the fact of such prior approval having been obtained is mentioned in the explanatory statement to the notice convening the general meeting;
- (iii) an ordinary resolution or a special resolution, as the case may be, has been passed for payment of remuneration as per the limits laid down in item (A) or a special resolution has been passed for payment of remuneration as per item (B), at the general meeting of the company for a period not exceeding three years.
- (iv) a statement along with a notice calling the general meeting referred to in clause (iii) is given to the shareholders containing the following information, namely:-

I. General information:

- (1) Nature of industry
- (2) Date or expected date of commencement of commercial production
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus
- (4) Financial performance based on given indicators
- (5) Foreign investments or collaborations, if any.

II. Information about the appointee:

- (1) Background details
- (2) Past remuneration
- (3) Recognition or awards
- (4) Job profile and his suitability
- (5) Remuneration proposed
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

III. Other information:

- (1) Reasons of loss or inadequate profits
- (2) Steps taken or proposed to be taken for improvement
- (3) Expected increase in productivity and profits in measurable terms

IV. Disclosures

The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement:

- (i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- (ii) details of fixed component and performance linked incentives along with the performance criteria;
- (iii) service contracts, notice period, severance fees; and
- (iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Explanation : For the purposes of Section II of this part, "Statutory Structure" means any entity which is entitled to hold shares in any company formed under any statute. "

3. This notification shall come into force from the date of its publication in the official gazette.

H. G.S.R.(E) Companies (Management and Administration) Amendment Rules, 2016 Dated 23.09.2016

In exercise of the powers conferred by sub-sections (1) and (2) of Section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Management and Administration) Rules, 2014, namely:-

1. (1) These rules may be called the Companies (Management and Administration) Amendment Rules, 2016

- (2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Companies (Management and Administration) Rules, 2014, (hereafter referred to as principal rules), in rule 3,-

- (a) in sub-rule (1), for the proviso, the following proviso shall be substituted, namely:-

"Provided that in the case of a company existing on the commencement of the Act, the particulars as available in the register of members maintained under the Companies Act, 2013 shall be transferred to the new register of members in Form No. MGT-1 and in case additional information, required as per provisions of the Act and these rules, is provided by the members, such information may also be added in the register as and when provided.";

- (b) in sub-rule (2), for the proviso, the following proviso shall be substituted, namely:-

" Provided that in the case of a company existing on the date of commencement of the Act. the particulars as available in the register of members maintained under the Companies Act, 2013 shall be transferred to the new register of members in Form No. MGT-1 and in case additional information, required as per provisions of the Act and these rules, is provided by the members, such information may also be added in the register as and when provided."

3. In the principal rules, in rule 9,-

- (a) in sub-rule (1), the words " in duplicate" at both places where they occur, shall be omitted.
- (b) in sub-rule (2), the words "in duplicate"), at both places where they occur, shall be omitted.

4. In the principal rules, for rule 13 the following rule shall be substituted, namely:-

“13. Every listed company shall file with the Registrar, a return in Form No. MGT.10, with respect to changes in the shareholding position of promoters and top ten shareholders of the company, in each case, representing increase or decrease by two per cent or more of the paid-up share capital of the company, within fifteen days of such change.”

5. In the principal rules, in rule "17, in sub-section (2), in the Explanation, for the words "on working day", the words "on any day except national holiday" shall be substituted.

6. In the principal rules, in rule 20, for sub-rule (2), the following sub-rule shall be substituted, namely:-

“(2) Every company which has listed its equity shares on a recognised stock exchange and every company having not less than one thousand members shall provide to its members facility to exercise their right to vote on resolutions proposed to be considered at a general meeting by electronic means:

Provided that a Nidhi, or an enterprise or institutional investor referred to in Chapter XB or Chapter XC of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is not required to provide the facility to vote by electronic means;

Explanation.- For the purpose of this sub-rule, "Nidhi" means a company which has been incorporated as a Nidhi with the object of cultivating the habit of thrift and savings amongst its members, receiving deposits from and lending to, its members only, for their mutual benefit, and which complies with such rules as are prescribed by the Central Government for regulation of such class of companies”

7. In the principal rules, in rule 22, sub-rule (7) and sub-rule (14) shall be omitted .

8. In the principal rules, in rule 25, in sub-rule (1), in clause (e), the words "or such other places as may be approved by the Board" shall be omitted.

9. Form MGT-6 Return to the Registrar in respect of declaration of beneficial interest in shares under section 89 by the company is revised.

**A. General Circular No. 10/2016 Relaxation of additional fees for filing Form IEPF-1****Dated 07.09.2016**

1. The Ministry had deployed the V2R2 version of MCA21 on 28th March, 2016. Consequently, the Form 1- INV as prescribed under the Companies Act, 2013 was not available for filing on the MCA21 portal since 25th March, 2016. In view of this and deployment of the new Form IEPF-1 (which replaces earlier Form 1-INV) after the notification of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 [IEPF (AATR) Rules] with effect from 7th September, 2016, it is clarified that companies that have not filed the requisite information in Form 1 INV can now file the information in Form IEPF-1. Further, as a onetime measure, for companies with due date for filing of the form 1- INV falling between the period 25th March 2016 to 6th September, 2016, the companies may file the form IEPF- 1 without additional fees on or before 06.10.2016.
2. This issues with the approval of the competent authority.

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- **[Amendment in Schedule V of Companies Act 2013](#)**
- **[Companies \(Mediation and Conciliation\) Rules 2016](#)**

- [Section 227, 242\(1\)\(b\) ,242\(2\)\(c\) & \(g\), 246 and Section 337 to 341 of Companies Act 2013, notified w.e.f. 09.09.2016](#)
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- [CSR data: Government tweaking annual filing form for companies](#)
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- [Frequently Asked Questions \(FAQs\) on Goods and Services Tax \(GST\)](#)
- [Issuance of rupee bonds to overseas investors by Indian companies - Clarification regarding applicability of provisions of Chapter III of the Companies Act, 2013](#)

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