

## MINISTRY OF CORPORATE AFFAIRS

### **IMPORTANT POLICY DECISIONS TAKEN AND MAJOR ACHIEVEMENTS DURING THE MONTH OF SEPTEMBER, 2017**

#### **(1) Circulars:-**

- (i) A circular no. 09/2017 was issued on 05.09.2017 clarifying the meaning of the term joint venture for the purposes of availing exemption from the requirement of appointment of Independent Directors under Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The said circular clarifies that a "joint venture" would mean a joint arrangement, entered into in writing, whereby the parties that have joint control of the arrangement, have rights to the net assets of the arrangement.
- (ii) A circular no. 10/2017 was issued on 13.09.2017 clarifying that a holding company if it is covered by the corporate sector roadmap for implementation of Ind AS, shall follow the corporate sector roadmap and if the company has got payment bank or small finance bank as its subsidiary then subsidiary company shall follow the banking sector road map prescribed vide RBI circular DBR.BP.BC.No. 76/21.07.001/2015-16 dated 11th February, 2016 subject to the condition that the Payment Banks or Small Finance Banks shall provide the Ind AS financial data to its holding company for the purpose of consolidation.
- (iii) A circular was also issued on 27.09.2017 clarifying that DPT-3 Form revised vide Companies (Acceptance of Deposits) Second Amendment Rules, 2017 shall be made available for e-filing after the month of November, 2017 and shareholders may use existing DPT-3 Form till then.
- (iv) A departmental circular no. 01/2017 dated 28.09.2017 was issued clarifying on the exemptions given to government companies u/s 164 (2) of the Companies Act, 2013.

#### **(2) Notifications:-**

- (i) A notification vide S.O. No. 3085(E), was issued on 31.08.2017 u/s 435 of the Companies Act, 2013 whereby this Ministry has designated Special Court at Patna for

the State of Bihar with the concurrence of the Chief Justice of the High Court of Judicature at Patna.

(ii) A notification vide S.O. No. 2938(E), was issued on 06.09.2017 under sub-section (2) of section 66 of the Companies Act, 2013 delegating powers to the Regional Directors with respect to the receipt and reply of notice on behalf of Central Government in respect of application for reduction of share capital from the NCI.T.

(iii) A notification vide G.S.R. No. 1172(E), was issued on 19.09.2017, for amending the Companies (Acceptance of Deposits) Rules, 2014 for providing the following amendments in view of exemptions provided under Section 462 of Companies Act, 2013:-

a) Amendment in Rule 3(3) of the Deposit Rules to provide for exemption to a private company which is a start-up, for five years from the date of its incorporation or which fulfils certain other conditions.

b) The specified IFSC public companies along with private companies can accept deposits from their members not exceeding 100% of the aggregate of paid-up share capital, free reserves and securities premium account.

c) Changes in DPT-3 Form to get the same in line with the amended rules.

(iv) A notification vide S.O. No. 3086(E), was issued on 20.09.2017 for commencement of proviso to clause (87) of Section 2 of Companies Act, 2013. This proviso provides for prescription of layers of subsidiary companies for a class/classes of holding companies.

(v) A notification for Companies (Restriction on number of layers) Rules, 2017 vide G.S.R. No. 1176(E), was issued on 20.09.2017 restricting the number of layers of subsidiary companies to two (excluding a layer of wholly owned subsidiary) for certain classes of holding companies.

(vi) A notification vide S.O. No. 3085(E), was issued on 20.09.2017 for substitution of new President of the Institute of Cost Accountants of India (ICoAI) as member on National Advisory Committee on Accounting Standards (NACAS) and extension of tenure of NACAS by one year or till constitution of NFRA, whichever is earlier.

(3) The Ministry of Corporate Affairs has approved a request of the Malaysian Association of Company Secretaries (MACS) for adoption of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) as the benchmark in the development of Secretarial Standards of MACS.