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CENTRAL REGISTRATION CENTRE (CRC) FOR NAME APPROVAL OF COMPANY

MCA vide its notification dated January 22, 2016 hereby states that in exercise of the powers conferred by sub section (1) and (2) of section 396 of the Companies Act, 2013 (18 of 2013) (herein after referred to as the act), the Central Government hereby establishes a Central Registration Centre (CRC) having territorial jurisdiction all over India, for discharging or carrying out the function of processing and disposal of applications for reservation of names under the provision of said act.



- The CRC shall function under the administrative control of Registrar of Companies, Delhi (ROC Delhi), who shall act as the Registrar of the CRC until a separate Registrar is appointed to CRC. The CRC shall process applications for reservation of name i.e. e-form no. INC 1 filed along with the prescribed fees as mentioned under the Companies (Registration of Offices and Fees) Rules, 2014.
- Processing and approval of name or names proposed in e-form no. INC 29 shall continue to be done by the respective Registrar of Companies having jurisdiction over incorporation of companies under the Companies Act, 2013 as per the provisions of the Act and the rules made thereunder.

- The CRC shall be located at Indian Institute of Corporate Affairs (IICA), Plot No. 6,7,8 Sector 5, IMT Manesar, District Gurgaon (Haryana), Pin Code- 122050
- This notification shall come into force from 26/01/2016.

THE COMPANIES (INCORPORATION) AMENDMENT RULES, 2016

MCA vide its notification dated 22.01.2016 has made amendments in The Companies (Incorporation) Rules, 2014 in order to amend the provisions through The Companies (Incorporation) Amendment Rules, 2016 by making changes in the rules. They shall come into force from 26th January, 2016. In The Companies (Incorporation) Rules, 2014 following amendments were made:

- Existing Rule 8(2), sub clause (ii) of clause (b) which stated that it is not in consonance with the principal objects of the company as set out in the memorandum of association **has been omitted**. Hence now the name need not be in consonance with the objects but when there is some indication of objects in the name, then it shall be in conformity with the objects mentioned in the memorandum.
- Rule 8(2), sub clause (x) of clause (b) which stated that the proposed name if vague or an abbreviated name such as 'ABC limited' or '23K limited' or 'DJMO' Ltd: abbreviated name based on the name of the promoters will not be allowed, **has been omitted**.
Provided further that the companies well known in their respective field by abbreviated names are allowed to change their names to

abbreviation of their existing name after following the requirements of the act.

- Rule 8(2), sub clause (xvii) of clause (b) which stated that a name which is intended or likely to produce a misleading impression regarding the scope or scale of its activities which would be beyond the resources at its disposal will not be allowed, **has been omitted**.
- Rule 8 sub rule (3) which mentioned that that if any company has changed its activities which are not reflected in its name, it shall change its name in line with its activities within a period of six months from the change of activities after complying with all the provisions as applicable to change of name, **has been omitted**.
- Rule 8 sub rule (4) which stated that in case the key word used in the name proposed is the name of a person other than the name(s) of the promoters or their close blood relatives, No objection from such other person(s) shall be attached with the application for name or In case the name includes the name of relatives, the proof of relation shall be attached and it shall be mandatory to furnish the significance and proof thereof for use of coined words made out of the name of the promoters or their relatives, **has been omitted**.
- In the principle rules, for Rule 9- Reservation of Name which earlier stated that “An application for reservation of name shall be made in Form No. INC 1 along with the fee as provided in the Companies (Registration offices and fees) Rules, 2014” **shall be substituted by** “An application for reservation of name shall be made in Form No. INC 1 along with the fee as provided in the Companies (Registration offices and fees) Rules, 2014 which may be approved or rejected, as the case may be, by the **Registrar, Central Registration Centre.**”

- In the principle rules, in rule 36, in sub rule (12),-
 - i) After sub clause (b), the following shall be inserted-
 - (ba) After the resubmission of the documents and on completion of second opportunity, if the registrar still finds that the documents are defective or incomplete, he shall give third opportunity to remove such defects or deficiencies
Provided that the total period for re submission of documents shall not exceed a total period of thirty days.
 - ii) In sub clause (c), for the words ‘two opportunities’, the words ‘three opportunities’ shall be substituted.

ESTABLISHMENT OF LIAISON/ BRANCH/ PROJECT OFFICES IN INDIA BY FOREIGN ENTITIES

RBI has issued a circular No. RBI/FED/2015-16/6, FED Master Direction No. 10/2015-16 dated 1st January, 2016 which states that

- Establishment of Branch/ Liaison/ Project Office in India is regulated in terms of Section 6(6) of Foreign Exchange Management Act, 1999 read with notification no. FEMA 22/2000-RB dated May 3, 2000. These regulations are amended from time to time to incorporate the changes in the regulatory framework and published through amendment notifications.
- Within the counters of the Regulations, Reserve Bank of India also issues directions to Authorized Person under section 11 of the Foreign Exchange Management Act (FEMA), 1999. These directions



lay down the modalities as to how the foreign exchange business has to be conducted by the Authorized Persons with their customers/ constituents with a view to implementing the regulations framed.

- This Master Direction consolidates the existing instructions on the subject of “Establishment of Branch/ Liaison/ Project Offices in India by foreign entities” at one place. The list of circulars/notifications forms part of the Master direction issued.
- It may be noted that wherever necessary, Reserve Bank shall issue directions to Authorized Persons through A.P. (DIR Series) Circulars in regard to any change in the regulations or the manner in which relative transactions are to be conducted by the Authorized Persons with their customers/ constituents.

CLARIFICATION CIRCULAR ON STREAMLINING THE PROCESS OF PUBLIC ISSUE OF EQUITY SHARES AND CONVERTIBLES

SEBI vide its circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 has issued a circular regarding clarification on streamlining the process of public issue of equity shares and convertibles which states that:

- SEBI vide Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued operational details to, inter alia, reduce the time taken for listing after the closure of the issue to 6 working



days and enhancing the points of submission of applications by the investors.

- With an endeavor to make the public issue process more efficient and robust, in discussion with market participants, following issues are hereby clarified:
 - i. Stock exchanges may validate the electronic bid details with depository's records for DP ID, client ID and PAN, at periodic intervals throughout the bidding day during the bidding period and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.
 - ii. Syndicate members, registered brokers of stock exchanges, depository participants (DPs) and registrars to an issue and share transfer agents (RTAs) registered with SEBI may also forward the physical application forms received by them on day to day basis during the bidding period to designated branches of the respective self-certified syndicate banks for blocking of funds. Such applications should be with value not more than 2 lakhs and shall be forwarded along with the schedule specified in SEBI Circular dated November 10, 2015.
 - iii. Stock exchanges may share the electronic bid file for applications with value not more than 2 lakh with RTA to the issue on daily basis who in turn may share the same with each SCSB. SCSBs may carry out the blocking of funds on a daily basis during the bidding period for such physical application forms



received. Revised electronic bid file / final bid file shall be shared by the stock exchanges with RTA to the issue. SCSBs to ensure blocking of funds is based on final electronic bid file received from RTA to the issue.

- iv. Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays.
- v. The instruction for publication of basis of allotment may be given by T+5 day so that basis of allotment is published in all the newspapers, where issue opening/closing advertisements have appeared earlier, on T+6 before the commencement of trading.
- All intermediaries are advised to cooperate with each other and take necessary steps to ensure compliance with this circular.
- This circular shall be applicable with immediate effect.
- This Circular is issued in exercise of the powers conferred under Section 11 and Section 11A of the Securities and Exchange Board of India Act, 1992.

THE INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (APPOINTMENT OF CHAIRPERSON AND MEMBERS, HOLDING OF MEETINGS AND PROVISIONS FOR OFFICES AND OFFICERS) RULES, 2016

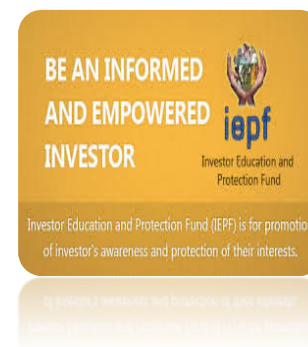
MCA vide its notification dated January 13, 2016 hereby states that in exercise of the powers conferred by sub section (5), (6) and (7) of section 125 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the rules which may be called The Investor Education and Protection Fund Authority

(Appointment of chairperson and members, holding of meetings and provisions for offices and officers) Rules, 2016. They shall come into force on the date of their publication in the Official Gazette. They are yet to be published in the Gazette of India. The highlights of the rules are as follows:

- **Investor Education Protection Fund**

The Central Government shall establish a Fund to be called the Investor Education and Protection Fund (herein referred to as the Fund) under Section 125 of the Act the following amounts will be credited to the Fund:

- i) the amount given by the Central Government by way of grants after due appropriation made by Parliament by law in this behalf for being utilized for the purposes of the Fund;
- ii) donations given to the Fund by the Central Government, State Governments, companies or any other institution for the purposes of the Fund;
- iii) the amount in the Unpaid Dividend Account of companies transferred to the Fund under sub-section (5) of section 124;
- iv) the amount in the general revenue account of the Central Government which had been transferred to that account under sub-section (5) of section 205A of the Companies Act, 1956 (1 of 1956), as it stood immediately before the commencement of the Companies (Amendment) Act, 1999 (21 of 1999), and remaining unpaid or unclaimed on the commencement of this Act;



- v) the amount lying in the Investor Education and Protection Fund under section 205C of the Companies Act, 1956 (1 of 1956);
- vi) the interest or other income received out of investments made from the Fund;
- vii) the amount received under sub-section (4) of section 38;
- viii) the application money received by companies for allotment of any securities and due for refund;
- ix) matured deposits with companies other than banking companies;
- x) matured debentures with companies;
- xi) interest accrued on the amounts referred to in clauses (viii) to (x);
- xii) sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation for seven or more years;
- xiii) redemption amount of preference shares remaining unpaid or unclaimed for seven or more years; and
- xiv) such other amount as may be prescribed, provided that no such amount referred to in clauses (viii) to (x) shall form part of the Fund unless such amount has remained unclaimed and unpaid for a period of seven years from the date it became due for payment.



- **Investor Education and Protection Fund Authority Composition**

The Authority shall consist of:

- a) Chairperson – The Secretary, Ministry of Corporate Affairs shall be the ex-officio Chairperson of the Authority
- b) Six members- The Central Government may appoint members who shall hold office for a period of three years and shall be eligible for re-appointment as prescribed.
- c) Chief Executive Officer (CEO)- The Central Government person to be the CEO.



- **Functions of the Authority**

- a) The Authority shall have the duty to administer the Fund for Investor Education and Protection.
- b) The general management of the affairs of the Authority shall vest in the Chief Executive Officer, who may exercise powers, which may be authorized by the Authority.
- c) The Chief Executive Officer shall function under superintendence and direction of the Chairperson.
- d) The Authority may constitute permanent Committees for overseeing its functions;
- e) Each Committee shall comprise two members, Chief Executive Officer and concerned functional head who shall be the secretary of the Committee. The Committee shall be headed by an ex-officio member;
- f) The Committee may invite experts with special knowledge and expertise as and when required to assist it on any specific issue;

- g) The Authority may outsource, if required work related to Funds and Shares Management.
- h) The broad functional divisions of the Authority shall be as per Schedule II to these rules.

SUB SECTION (5), (6) and (7) of SECTION 125 HAS BEEN NOTIFIED

Subsections (5), (6) and (7) of Section 125 which deals with Investor Education and Protection Fund has been notified by the central government on 13th January, 2016. The section states as under:



125(5)- The Central Government shall constitute, by notification, an authority for administration of the Fund consisting of a chairperson and such other members, not exceeding seven and a Chief Executive Officer, as the Central Government may appoint.

125(6)- The manner of administration of the Fund, appointment of chairperson, members and Chief Executive Officer, holding of meetings of the authority shall be in accordance with such rules as may be prescribed.

125(7)- The Central Government may provide to the authority such offices, officers, employees and other resources in accordance with such rules as may be prescribed.

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