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THE SECURITIES AND EXCHANGE BOARD OF INDIA

Establishment of connectivity with both the Depositories NSDL and CSDL— Companies eligible for shifting from Trade for Trade Settlement to Normal Rolling Settlement

The Securities Exchange Board of India (“SEBI”) vide its [circular no. CIR/MRD/DP/03/2015](#) dated March 24, 2015 revised the procedure for shifting of securities from Trade for Trade Settlement (“TFTS”) to Normal Rolling Settlement for companies which have not signed agreements and established connectivity with both the Depositories. SEBI has now determined that those Companies which have established connectivity and signed agreement with both depositories shall now approach the stock exchange(s) to shift from TFTS to Rolling Settlement. The stock Exchange will verify the same and may consider shifting the trading of these securities to Rolling Settlement subject to conditions :-



- I. According to clause 35 of the Listing Agreement at least 50% other than the promoter holding shall be in dematerialized mode before shifting the trading in securities from TFTS to Rolling Settlement. A certificate in this regard has to be obtained from its Registrar and Transfer Agent (“RTA”) and submit the same to the stock exchange also the issuer can obtain certificate in this regard from practicing Company Secretary/ Chartered Accountant in case they don’t have a separate RTA.
- II. There are no other grounds for continuation of trading in TFTS.

The stock exchange will inform the market about names of companies which have been shifted from TFTS to Rolling Settlement.

For further information, please visit the link provided herein.



THE RESERVE BANK OF INDIA

External Commercial Borrowing (ECB) Policy—Review of all-in cost ceiling

The Reserve Bank of India (“**RBI**”) vide [Circular No. 80](#) dated March 03, 2015 provides for External Commercial Borrowing (ECB) Policy alongwith a review of all-in-cost ceiling.

RBI further stated that the all-in-cost ceiling as specified in A.P. (DIR Series) Circular No.99 dated March 30,2012 will be applicable till March 31,2015 and will be reviewed thereafter and all other aspects of ECB shall remain unchanged

For further information, please visit the link provided herein

RBI : Revised Regulatory Framework for NBFCs

RBI vide its [circular RBI/2014-15/520](#) dated March 27, 2015 has revised regulatory framework for Non-Banking Financial Companies. The following notifications have been revised:

- I. Notification No. DNBR. 007/ CGM (CDS) -2015 dated March 27, 2015 amending the Net Owned Fund requirements.
- II. Non-Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued vide Notification No. DNBR. 008/ CGM (CDS) -2015 dated March 27, 2015
- III. Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued vide Notification No. DNBR. 009/ CGM (CDS) -2015 dated March 27, 2015.
- IV. Notification No. DNBR. 010/ CGM (CDS) -2015 dated March 27, 2015 amending the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.





- V. Notification No. DNBR. 011/ CGM (CDS) -2015 dated March 27, 2015 amending the Non-Banking Financial (Deposit Accepting or Holding) Prudential Norms (Reserve Bank) Directions, 2007.
- VI. Notification No. DNBR. 012/ CGM (CDS) -2015 dated March 27, 2015 amending the Non-Banking Financial Company – Factor (Reserve Bank) Directions, 2012.

For any further information on the revised framework for NBFC please follow the link provided herein below :

<http://rbidocs.rbi.org.in/rdocs/notification/PDFs/RRFNC101114F.pdf>

Ministry of Corporate Affairs

Clarification relating to filing of e-form DIR-11 & DIR-12 under the Companies Act, 2013

The Ministry of Corporate Affairs (“MCA”) vide its [circular no. 03/2015](#) dated March 3, 2015 brought clarity in filing of DIR-11 & DIR-12. As per the circular the problem of deactivation of Digital Signature Certificate (DSC) earlier faced by the Companies on resignation of director has been now done away with and the Registrar of Companies under their respective jurisdictions are authorized after due examination to allow any one of the resigned directors who was an authorised signatory to file e-forms for the purpose of filing DIR- 12.

For further information, please visit the link provided herein

Clarification regarding application of Companies (Acceptance of Deposits) Rules, 2014

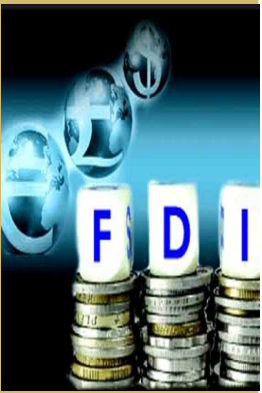


MCA vide its [circular no.05/2015](#) dated March 30, 2015 has clarified applicability of the Companies (Acceptance of Deposits) Rules 2014, in consultation with RBI. it is now clarified that amounts with Private Companies prior to April 1, 2014 will not be treated as deposits under Companies Act, 2013 and Companies (Acceptance of Deposits) Rules 2014 though private companies shall disclose the figures, in the notes to its financial statements for financial year commencing from April 1, 2014 and any renewal or acceptance of deposits on or after April 1, 2014 have to be complied in accordance with provisions of Companies Act, 2013 and rules made thereunder.

For further information, please visit the link provided herein

Department of Industrial Policy & Promotion

Review of FDI policy on Insurance Sector – amendment to ‘Consolidated FDI Policy Circular of 2014’



Department of Industrial Policy and Promotion, ministry of Commerce and Industry, Government of India (“DIPP”) vide [Press note 3 of 2015](#) dated March 2, 2015 makes amendments to Paragraph no. 6.2.17.7 of ‘Consolidated FDI policy Circular of 2014’ effective from April, 14, 2014.

The following are the amendments to paragraph 6.2.17.7 of the FDI policy:

Under Paragraph 6.2.17.7.1

Insurance Sector/ Activity now also includes other Insurance Companies, brokers and other Intermediaries having 49% of FDI Cap/ having 26% automatic route and beyond 26% - 49% government route.

Under Paragraph 6.2.17.7.2 other conditions are provided:-;

- I. No Indian insurance company shall allow the aggregate holdings by way of total foreign investment in its equity shares by foreign investors,
- II. Foreign direct investment proposals which take the total foreign investment in the Indian insurance company about 26% and upto the cap of 49% shall be under Government route.

- iii. Foreign investment in the sector is subject to compliance of the provisions of the Insurance Act, 1938
- iv. An Indian insurance company shall ensure that its ownership and control remains at all times in the hands of resident Indian
- v. Foreign portfolio investment in an Indian insurance company shall be governed FEMA regulations, 2000.
- vi. Any increase of the foreign investment of an Indian insurance company shall be in accordance with the pricing guidelines specified by the Reserve Bank of India under the FEMA.
- vii. The provisions of paragraphs 6.2.17.2.2 (4) (i) (c) & (e), relating to 'Banking Private Sector', shall be applicable in respect of bank promoted insurance companies.

For further information, please visit the link provided herein

Madras High Court : Writ Petition No. 1256 of 2011 Shamnad Basheer V/s Union of India & Ors

Writ Petition No.1256 of 2011 (“Petition”) was filed before the Hon’ble Madras High Court (“MHC”) (Shamnad Basheer –(**Petitioner**)v/s Union of India & Ors- (**Respondents**)) under Article 226 of the Constitution of India seeking relief of issuance of Writ of Declaration thereby declaring Chapter XI of the Trade Marks Act, 1999, and Chapter XIX of the Patents Act, 1970 as ultra vires, Articles 14, 19 (1)(g), 21, 50, 245 of the Constitution of India and violative of the basic structure of the Constitution and hence void ab inito in so far as it establishes the Intellectual Property Appellate Board (IPAB) and vests important judicial functions on this Board.

It was stated by the Petitioner that Section 85 of the Trade Mark Act, 1999 (“Act”) violates the doctrine of separation of powers between the Executive and Judiciary and also states that there is no statutory prescription for selection process of members, Chairman & vice –Chairman of the Intellectual Property Appellate Board (“IPAB”). The Respondent’s stated that power of judicial review over a decision rendered by IPAB available to the High Court has not been taken away.

The MHC declares Section 85 (2) (b) of the Act as unconstitutional as it provides that a member of Indian Legal service who held the post of Grade I service or a higher post for at least five years to be qualified to the post of vice Chairman.

The MHC also declares Section 85 (3) (a) of the Act as unconstitutional and being contrary to the basic structure of the constitution because it provided that a member of Indian Legal service who held the post of Grade I of service for at least three years to be qualified for appointment to the post of a Judicial Member in IPAB.

The MHC further declares the Constitution of Committee for the appointment of Members, Vice –Chairman, Judicial Member & Technical Member as being contrary to the basic structure of the constitution and the Respondent will have to reconstitute a committee providing a predominant role in the selection process.

MHC further declares that any person in the post of Joint Registrar or above and having qualification of 12 years of practice at Bar or a state judicial service with a Degree in Law to be appointed as a Technical Member and only such a Technical Member can be considered for the post of Vice-Chairman.

MHC also stated that for appointment of post of chairman, apart from a sitting or a retired High Court Judge, any person qualified with the qualifications of technical member can be appointed a Judicial Member.

Further the MHC also States that the recommendations of the chief Justice of India to the post of a Chairman should be considered by Appointment Committee of the cabinet and does not require any approval.

For further information, please visit the link provided herein

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