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M/s NPV & Associates, Chartered Accountants, Mumbai

MCA UPDATES

- *Issues are being faced with respect to payments through Union Bank of India (UBI) Credit Card gateway and teams are working on resolving the same. In the meantime, It is advised not to choose UBI Payment Gateway for making the payment through Card. can, however, choose any of the other payment options available.*

RBI UPDATES

Reporting of Transactions by agency banks to RBI

Notification No: RBI/2017-18/103
DGBA.GBD.1472/31.02.007/2017-18
November 30, 2017

It has been brought to our notice that some agency banks are reporting government transactions after considerable delay and along with the current transactions to RBI, without taking necessary authorisation from the concerned government departments.

2. As per the extant instructions, state government transactions (electronic as well as in physical mode) of previous month reported after 8th of the succeeding month and those pertaining to earlier months should be reported to RBI through a separate statement for accounting, after being confirmed by the competent authorities of concerned state government.

3. It has now been decided that, for Central Government transactions (electronic as well as in physical mode), if the transactions or any adjustments thereof are reported after a gap of 90 days from the date of transaction, agency banks have to obtain prior approval from concerned ministry/department and submit the same to RBI separately at the time of reporting such transactions for settlement.

4. It may be noted that all instructions related to the timeline to be adhered to, for reporting of government transactions, remain unchanged.

Related Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11180&Mode=0>

SEBI UPDATES

Enhancing fund governance for Mutual Funds

Notification No. SEBI/HO/IMD/DF2/CIR/P/2017/125
Dated: November 30, 2017

In order to strengthen the governance structure for Mutual Funds (MFs), it has been decided to implement the following:

A. Tenure of independent trustees and independent directors:

- 1. Regulation 16 (5) and Regulation 21 (1) (d) of SEBI (Mutual Funds) Regulations,*

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1996 mandate appointment of independent trustees of MFs("independent trustees") and independent directors of AMCs("independent directors")respectively. With respect to tenure of independent trustees and independent directors, it has been decided that:

- i. An independent trustee and independent director shall hold office for a maximum of 2 terms with each term not exceeding a period of 5 consecutive years.
- ii. No independent trustee or independent director shall hold office for more than two consecutive terms, however such individuals shall be eligible for re-appointment after a cooling-off period of 3 years. During the cooling-off period, such individuals should not be associated with the concerned MF, AMC & its subsidiaries and / or sponsor of AMC in any manner whatsoever.

Existing independent trustees and independent directors shall hold office for a maximum of 10 years (including all preceding years for which such individual has held office). In this respect, the following may be noted:

- a. Individuals who have held office for less than 9 years(as on date of issuance of this circular) may continue for the residual period of service.
- b. Individuals who have held office for 9 years or more (as on date of issuance of this circular) may continue for a maximum of 1 year from date of issuance of this circular.
- c. Such individuals shall subsequently be eligible for re-appointment after a cooling-off period of 3 years, in terms of Para A (1) (i) and Para A (1) (ii) above.

B. Auditors of Mutual Funds:1.The auditor of a MF, appointed in terms of Regulation 55 (1) of SEBI (MFs) Regulations shall be a firm, including a limited liability firm, constituted under the LLP Act, 2008.

2. Period of appointment: With respect to appointment of auditors in terms of Regulation 55 (1) of SEBI (MFs) Regulation, 1996, it has been decided that:

- i. No MF shall appoint an auditor for more than 2 terms of maximum five consecutive years. Such auditor may be re-appointed after cooling off period of 5 years. Further, during the cooling-off period of five years, the incoming auditor may not include: Any firm that has common partner(s) with the outgoing audit firm Any associate / affiliate firm(s) of the outgoing audit firm which are under the same network of audit firms wherein the term "same network" includes the firms operating or functioning, hitherto or in future, under the same brand name, trade name or common control.
- ii. Existing auditors may be appointed for a maximum of 10 years (including all preceding years for which an auditor has been appointed in terms of Regulation 55 (1) of SEBI (Mutual Funds) Regulation, 1996). In this respect, the following may be noted:
 - a. Auditors who have conducted audit of the Mutual Fund for less than 9 years (as on date of issuance of this circular) may continue for the residual period of service.
 - b. Auditors who have conducted audit of the Mutual Fund for 9 years or more (as on date of issuance of this circular) may continue for a maximum of 1 year from date of

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issuance of this circular.

- c. Such auditors shall subsequently be eligible for re-appointment after a cooling-off period of 5 years, in terms of Para B (2) (i) and Para B (2) (ii) above.
- C. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

IMPORTANT – PROFESSIONAL ANNOUNCEMENT

*As you all are aware about the new step taken by Ministry of Corporate Affairs
- **Disqualification the Directors***

We are happy to announce that we were the First one for getting the stay from Hon'ble High Court Delhi in the matter of Disqualification of Directors dated on 10.10.2017 and since then we are continuously getting the stay order for various of our clients. The stay granted in this writ petition by the Dual Bench of Hon'ble Delhi High Court Chief justice Gita Mittal and Justice C. Hari Shankar is the First of this kind relief granted by the Hon'ble Delhi High Court regarding the matter of Disqualification of directors. Also its been seen by the corporate as a major relief in the present scenario of complete debar of directors for the next five year and that's too without any provision or process for removal of such disqualification in any manner.

***-Strike off the names of the companies from the Register of Registrar of Companies-**
Simultaneously we are dealing in various matters for Revival of companies which has been strike off by the Registrar of Companies.*

We provide the multiple services into one hub. Where you can get multiple solutions of many issues face by the Company, our internal policy is to provide services to Business Enterprises in Compliance and management.

With increasing complexity in the modern professional and business environment, we determined to provide high quality, flexible, client focused legal and business advisory service,, seamlessly, globally and in accordance with the demanding client service standards.

Thanking You,

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