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# **SPARSH....**

***Touches***

***June , 2015***

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Mr. Vinod Kothari &  
Associates**
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# Editorial

**T:** Together  
**E:** Everyone  
**A:** Achieves  
**M:** More

“Opportunity is missed by most people because it is dressed in overalls and looks like work.”

– Thomas Edison

We, at VKCPL & VK & Co., believe in hard work, determination and perfection. We put in our best into each and every act done by us which results into success and appreciation by all.

With this thought of dedication and hard work, we come again with “Sparsh”.

*Stay in touch with us through SPARSH!!*

*Editor:*

*- Pammy Jaiswal*

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## **Articles Published**

- Article on New Forex Remittance Limit – A mixed bag of pain and relief for individuals by Aditi Jhunhunwala and Niddhi Parmar published in Taxmann's Corporate Professionals Today, Volume 33, Issue – June 16 to 30 2015.
- Article on lack of regulatory clarity on Indian investment in insurance sector by Nivedita Shankar published in the IndiaCorpLaw.
- Article on the MCA's Exemption Notification for Government Companies by Vinita Nair published in IndiaCorpLaw.
- Article on MCA's Exemption Notification for Section 8 Companies by Nitu Poddar published in IndiaCorpLaw.
- Article on DIPP Clarification on NRI Investments by Dipanjali Nagpal published in IndiaCorpLaw.



### *Sessions/Lectures taken/Events attended*

- Mr. Vinod Kothari attended the seminar on “Ease of Doing Business- Aligning Companies Act, 2013” as a distinguished speaker at Northern India Regional Council of the Institute of Company Secretaries of India on 27<sup>th</sup> June, 2015.



## WORKSHOPS CONDUCTED

2 Days Workshop on Leasing (In-house), **Chennai**

Half Day Workshop on Secretarial Standards and SEBI (PIT) Regulations, **Kolkata**

Two Days Crash Course on the Companies Act, 2013 covering Secretarial Standards and Prohibition of Insider Trading Regulations, **Mumbai**

Two Days Crash Course on the Companies Act, 2013 covering Secretarial Standards and Prohibition of Insider Trading Regulations, **Delhi**

## Our Forthcoming Workshops

2 Days Workshop on Leasing (In-house), **Mumbai**

One Day Workshop on Investing in Corporate Debentures, **Mumbai**

Pricing and Management of Credit Risk, **Mumbai**

# Articles Published

## **Article on New Forex Remittance Limit – A mixed bag of pain and relief for individuals**

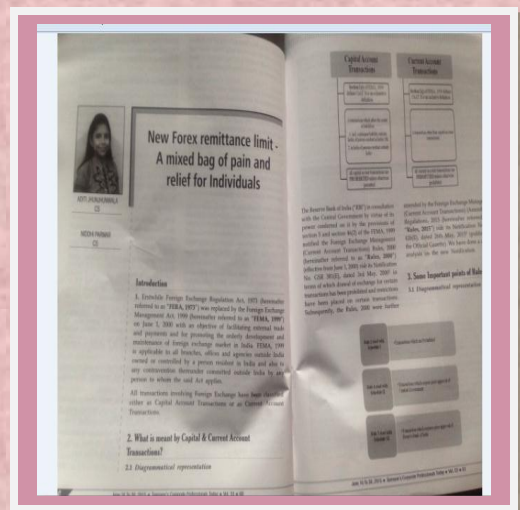
-by Aditi Jhunjunwala and Niddhi Parmar published in Taxmann's Corporate Professionals Today, Volume 33, Issue – June 16 to 30 2015

### **Introduction**

1. Erstwhile Foreign Exchange Regulation Act, 1973 (hereinafter referred to as "**FERA, 1973**") was replaced by Foreign Exchange Management Act, 1999 (hereinafter referred to as the "**FEMA, 1999**") on June 1, 2000 with an objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA, 1999 is applicable to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention thereunder committed outside India by any person to the said Act applies.

All the transactions involving Foreign Exchange have been classified either as Capital Account Transactions or as Current Account Transactions.

To view full article please refer to Taxmann's Corporate Professional Today – Volume 33; Issue- June 16 to 30, 2015





## Article on lack of regulatory clarity on Indian investment in insurance sector

- by Nivedita Shankar published in the India Corp Law

An increase in the threshold limit for foreign investment in insurance companies has been hailed as a major thrust for the insurance sector, which has seen very few players. In this background, the Indian Insurance Companies (Foreign Investment) Rules, 2015 ('Rules, 2015') were issued by way of Notification No. G.S.R. 115(E) dated February 19, 2015 with the intention of providing regulatory clarity on shareholding pattern in Indian insurance companies. However, Rule 4 of Rules, 2015 has posed a vital question for Indian insurance companies – how to ensure compliance with Rules, 2015? As has been discussed further in this post, the very intent behind issuance of Rules, 2015 was to ensure that Indian insurance companies are always owned and controlled by resident Indian citizens. In fact, the Insurance Laws (Amendment) Act, 2015 also amended the definition of Indian insurance company to allow only 49% of foreign investment, which meant that the rest of the shareholding was to be with Indians. However Rule 4 of Rules, 2015 has played a complete dampener in this regard. Where the idea pursuant to amendment of FDI Policy and Insurance Laws (Amendment) Act, 2015 is clear that Indian insurance companies have to be under the control of resident citizens, Rule 4 of Rules, 2015 is creating an additional requirement by requiring Indian insurance companies to look one layer up and see the actual ownership and control behind the resident Indian citizen.

To view full article click [here](#).





# Article on the MCA's Exemption Notification for Government Companies

-by Vinita Nair published in India Corp Law.

By way of a notification dated June 5, 2015 exempted Government companies, private companies, section 8 companies and nidhi companies from complying with certain provisions of the Companies Act, 2013 ("Act, 2013" or "Act" or CA 2013) as mentioned below subject to the condition that the company ensures protection of shareholders' interests. The exemption notification has been published in Official Gazette.

Section 620 of the Companies Act, 1956 also empowered modification of the Act in relation to Government companies. Several notifications were issued under that for exempting or modifying the applicability of the provisions of that legislation.

## I. Exemption to all Government Companies:

1. By way of alterations to section 4(1)(a), the memorandum of a Government company shall state name of the Company with the last expression "Limited";

2. In case of Government companies the requirement under Section 56 (1) for proper instrument of transfer duly executed and stamped shall not be required with respect to bonds issued by Government company provided that an intimation is given by the transferee specifying his name, address and occupation and delivered to the Company along with the bond certificate, if any or with the letter of allotment of the bond.

To view full article click [here](#).



# Article on MCA's Exemption Notification for Section 8 Companies

-by Nitu Poddar published in [IndiaCorpLaw](#).

By way of a notification dated June 5, 2015, the Ministry of Corporate Affairs ("MCA") exempted Section 8 companies,[1] government companies private companies and nidhi companies from complying with certain provisions of the Companies Act, 2013 ("Act, 2013" or "Act" or "CA 2013") as mentioned below subject to the condition that the company ensures protection of shareholders' interests. The exemption notification has been published in Official Gazette.

## Exceptions to section 8 companies

The following exemptions have been made available for section 8 companies:

1. Section 8 companies need not appoint a qualified professional as its company secretary.
2. Since the requirement of having a minimum paid-up share capital for incorporating a private or a public company has been done away with by way of the Companies (Amendment) Act, 2015, a Section 8 company also need not comply with the same.
3. Section 8 companies can appoint more than fifteen directors without passing a special resolution. A Section 8 company need not appoint an independent director.

To view full article click [here](#).



- Exemptions to Section 8 (Non-Profit) under section 462 of CA 2013 **NEW**
- Exemptions to Private Companies under section 462 of CA 2013 **NEW**
- Exemptions to Nidhis under section 462 of CA 2013 **NEW**
- Exemptions to Government Companies under section 462 of CA 2013 **NEW**



## Article on DIPP Clarification on NRI Investments

-by Dipanjali Nagpal published in [IndiaCorpLaw](#).

The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India reviewed the Consolidated Foreign Direct Investment (FDI) Policy Circular of 2015 effective from May 12, 2015 with respect to investments by Non Resident Indians (NRIs), Persons of Indian Origin (PIOs) and Overseas Citizens of India (OCIs) through its Press Note 7 (2015 series) and accordingly amended Para 2.1.27 and inserted Para 3.6.2 (vii). The press note shall take effect from June 18, 2015.

### Investment under Schedule 4 by NRIs

Investment by NRIs under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations 2000 (FEMA Regulations) will be deemed to be domestic investment at par with investments made by residents, and as such the FDI Policy has been revised with an amendment to the definition of an NRI as contained in the policy.

Purchase and sale of shares and debentures by NRIs on non repatriation basis is subject to the following terms and conditions as provided in Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations 2000:

1. Prohibition on purchase of shares/convertible debentures of companies engaged in the business of Chit Fund, Nidhi Company or company engaged in agricultural/plantation activities or real estate business or construction of farm houses or dealing in Transfer of Development Rights.

To view full article click [here](#).





## Our Corner

*Our dear Nidhi Bothra completed seven glorious  
years at Vinod Kothari Consultants Private Limited  
We thank her for the endless contribution and  
efforts!!!*





*Happy Birthday to dear Nikita*



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