

Knowledge Round-up – 14th Sept 2016

Notification of sections of the Companies Act, 2013 - 05 September 2016

Central Government has appointed 07 September 2016 as the date on which provisions of following sections of the Companies Act, 2013 have come into force:

- Section 124 related to unpaid dividend account;
- Sub-sections (1) to (4), (6) and (8) to (11) of Section 125 relating to Investor Education and Protection Fund ('Fund'). These sections primarily relate to establishment of fund, amounts to be credited to the fund, utilisation of fund, administration of fund, audit of accounts of the fund, submission of annual report and audit report to Central Government/each House of Parliament.

Click [here](#) for notification.

Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 - 05 September 2016

MCA has issued Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('Rules'). These rules, inter alia, deal with following provisions:

- Accounts and audit of Investor Education and Protection Fund Authority ('Authority');
- Statement to be furnished to the Fund;
- Manner of transfer of shares under section 124(6) to the Fund;
- Refunds to claimants from Fund;
- Power to direct payment of amount due to the Fund;
- Transfer of assets, liabilities, etc., of the existing Investor Education and Protection Fund to the Authority;
- Returns and reports of the authority.

These rules also provide the list of registers and books of account to be maintained by the Authority. These rules are effective from 07 September 2016.

Click [here](#) for rules.

Restrictions on promoters and whole-time directors of compulsorily delisted companies pending fulfillment of exit offers to the shareholders - 07 September 2016

As per Regulation 24 of the SEBI (Delisting of Equity Shares) Regulations, 2009 ('Delisting Regulations'), the company which has been compulsorily delisted, its whole-time directors, its promoters and the companies promoted by such person, will not directly or indirectly access the securities market for a period of ten years from the date of compulsory delisting. Further, Regulation 23(3) of the Delisting Regulations provides that pursuant to compulsory delisting of a company, the promoter should acquire delisted equity shares from the public shareholders, subject to their option of retaining their equity shares, by paying them the fair value, as determined by the independent valuer appointed by the concerned recognised stock exchange.

In order to ensure effective enforcement of exit option to the public shareholders in case of compulsory delisting and taking into account the interests of investors, SEBI has directed that in case of companies whose fair value is positive:

- a. such a company and the depositories should not effect transfer, by way of sale, pledge, etc., of any of the equity shares and corporate benefits like dividend, rights, bonus shares, split, etc. should be frozen, for all the equity shares, held by the promoters/promoter group till the promoters of such company provide an exit option to the public shareholders in compliance with regulation 23(3) of the Delisting Regulations, as certified by the concerned recognized stock exchange;

- b. the promoters and whole-time directors of the compulsorily delisted company shall also not be eligible to become directors of any listed company till the exit option as stated above is provided.

Click [here](#) for circular.

Constitution (One Hundred and First Amendment) Act, 2016 - Goods and Services Tax - 08 September 2016

Constitution (One Hundred and First Amendment) Act, 2016 ('Act') on 'Goods and services tax' has received the assent of President on 08 September 2016.

It will come into force on such date as the Central Government may, by notification, in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the commencement of that provision.

Click [here](#) for Act.

Master Direction - Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016 - 02 September 2016

RBI has issued master directions on Non-Banking Financial Company ('NBFC') - Account Aggregator (Reserve Bank) Directions, 2016. These directions provide a framework for the registration and operation of Account Aggregator in India.

These directions, inter alia, deal with the following provisions:

- Registration and matters incidental thereto;
- Duties and responsibilities of an Account Aggregator;
- Corporate governance;
- Requirement to obtain prior approval of the RBI for acquisition or transfer of control of Account Aggregators.

These directions are effective from 02 September 2016.

Click [here](#) for directions.

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