

Ministry of Corporate Affairs

Important policy decisions taken and major achievements during the month of August, 2016

(I) Circulars: -

In view of the references received from stakeholders seeking clarification on the applicability of provisions of Chapter III of the Companies Act, 2013 (Act) and Rule 18 of Companies (Share Capital and Debenture) Rules, 2014 to the issue of Rupee bonds by the Indian companies exclusively to persons resident outside India, the Ministry, in consultation with Reserve Bank of India has clarified that unless otherwise provided in the circular/directions/regulations issued by the RBI, provisions of Chapter III of the Act and rule 18 of Companies (Share Capital and Debenture) Rules, 2014 would not apply in the instant case.

(II) Notifications:-

(i) Subsequent to the aforesaid circular, this Ministry has, vide notification dated 12.08.2016, amended the Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, to the effect that "Nothing contained in this Rule shall apply to Rupee denominated bonds issued exclusively to overseas investors in terms of A.P. (DIR Series) Circular No. 17 dated September 29, 2015 of the Reserve Bank of India." (G.S.R. 791(E), dated 12.08.2016).

The Parliamentary Standing Committee on Finance, which is examining the Companies (Amendment) Bill, 2016 sought comments of this Ministry on various points relating to the Amendment Bill. The comments on such points were forwarded to the Committee on 23rd August, 2016.