

### **Non applicability of loans and advances provision under Companies Act, 2013 to employees:**

The Ministry of Corporate Affairs has clarified the applicability of provisions of section 186 of the Companies Act, 2013 relating to grant of loans and advances by Companies to their employees.

The issue of applicability of provision under Companies Act, 2013 is briefly discussed below:

1. According to section 186 of Companies Act, 2013, No company shall give any loan or guarantee or provide security in connection with a loan to any person or any other body corporate, either directly or indirectly, exceeding the 60 (sixty) per cent of its paid-up share capital, free reserves and securities premium amount or 100 (One hundred) per cent of its free reserves and security premium account, whichever is more.
2. On the basis of above provision, Companies have to comply this provision in respect of loans made to employees otherwise it will be contravention of provision under Companies Act, 2013.
3. It's very complicated for companies to comply this provision and then they apply for seeking clarification on the applicability.
4. Ministry of Corporate Affairs issued a clarification dated on March 10, 2015, and clarified that loans and/or advances made by the companies to their employees, other than the Managing or Whole time directors (which is governed by section 185) are not governed by the requirements of section 186 of the Companies Act, 2013, if it is in accordance with the condition of services to all employees and are also in accordance with the remuneration policy, in cases where such policy is required to be formulated.

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### **FDI Cap In Insurance Sector Raised To 49%:**

FDI policy for Insurance sector has been reviewed and it has been raised from 26% to 49% as per press note no 2 of 2015 dated March 02, 2015:

1. FDI up to 26% under the automatic route is permitted for Insurance Company, Insurance broker, Third Party Administrators, Surveyor and Loss Assessors and Other Insurance intermediaries appointed under the Provisions of Insurance Regulatory and Development Authority Act, 1999 . The below mentioned condition shall also be complied by the Company:
  - o No Indian Insurance Company shall allow the aggregate holding by way of total foreign investment in its equity shares by foreign

11 March 2015

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investors, including portfolios investors, to exceed forty nine per cent of the paid p share capital of such Insurance company.

2. Foreign Direct investment proposal which take the total foreign investment in the Indian insurance company above 26 per cent and up to the cap of 49 per cent shall be under the Government Route.

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## **SEBI Introduce SARAL Account Opening Form:**

SEBI has introduced the SARAL Account form via circular dated March 04, 2015, with a view to encourage the participation of new investors in the securities market begin with participation in the cash segment without obtaining various other facilities such as internet trading, margin trading, derivative trading and use of power of attorney, it is, therefore, decided by SEBI that such individual investors can open a trading account and demat account by filling up a simplified Account Opening Form ('AOF') termed as 'SARAL AOF'.

This form will be separately available with the SEBI intermediaries or registered brokers and can also be downloaded from the Stock Exchanges' and Depositories' (NSDL and CDSL) website. The investors who open account through SARAL AOF will also have the option to obtain other facilities, whenever they require, on furnishing of additional information as per prescribed regulations/circulars.

The standard set of documents viz. Rights and Obligations document, Uniform Risk Disclosure Document and Guidance Note and documentary proof related to identity and address, shall continue to remain applicable.

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## **E-filing Facility for Registration of Design:**

The Government of India office of Comptroller of Patent, Design and Trade Marks has issued a Public Notice for electronic filling of new application for registration of Design with the view to expand the paperless environment. All the applicants and Stakeholder can now file e-filing which includes comprehensive Payment Gateway, through the official website Comptroller of Patent, Design and Trade Marks at www.ipindia.nic.in.

The user can also use their existing digital signatures for login and authentication into the e-filing system of Design.

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