



Info Capsule

CONSIDERATION OF AADHAAR INTEGRATION FOR AVAILING VARIOUS MCA21 RELATED SERVICES¹

MCA is actively considering Aadhaar Integration for availing various MCA21 related services. As a preparatory step, all individual stakeholders viz. DIN holders/Directors/Key Managerial Personnel/Professionals of the Institute of Company Secretaries of India-Institute of Chartered Accountants of India-Institute of Cost Accountants of India (whether in employment or in practice) are requested to obtain Aadhaar as early as possible for integrating their details with MCA21 and also ensure that the information in Aadhaar is in harmony with PAN.

When implemented, all MCA21 services shall be available based on Aadhaar based authentication ONLY. The date of Aadhaar integration with MCA21 would be announced shortly.

Stakeholders are requested to plan accordingly on PRIORITY so as to avoid future inconvenience.

COMPANIES ON DISSEMINATION BOARD SEBI CIRCULAR – CLARIFICATION FOR COMPLYING WITH SEBI/HO/MRD/DSA/CIR/P/2016/110 DATED OCTOBER 10, 2016²

SEBI vide circular *SEBI/HO/MRD/DSA/CIR/P/2016/110* dated October 10, 2016 prescribed procedures for removal of names of Exclusively Listed Companies (ELCs) from Dissemination Board of Nationwide Stock Exchanges and last date has been extended twice up to 30-06-2017.

SEBI has now issued circular *SEBI/HO/MRD/DSA/OW/P/2017/7699/2* dated April 06, 2017 clarifying certain issues faced by the Exclusively Listed Companies (ELCs) placed on Dissemination Board of Nationwide Stock Exchanges.

It has been clarified that the Exclusively Listed Companies (ELCs) shall be removed from the Dissemination Board (DB) of exchange, if the same is currently listed on Calcutta Stock Exchange. Further, if the company is under BIFR or going under the process of winding up, stock exchanges after obtaining the relevant documents may keep such companies on hold till the court proceedings are completed.

¹Available at : <http://www.mca.gov.in/>

² Available at : <http://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20170407-39>

CABINET APPROVES LISTING OF 11 CPSES ON STOCK EXCHANGES³

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi has given its approval for listing of the following 11 CPSEs (Central Public Sector Enterprises) on stock exchanges:

1. Rail Vikas Nigam Limited (RVNL)
2. IRCON International Limited
3. Indian Railway Finance Corporation (IRFC) Ltd.
4. Indian Railway Catering and Tourism Corporation (IRCTC) Ltd.
5. RITES Ltd.
6. Bharat Dynamics Limited (BDL)
7. Garden Reach Shipbuilders & Engineers (GRSE) Ltd.
8. Mazagon Dock Shipbuilders Limited (MDSL)
9. North Eastern Electric Power Corporation (NEEPCO) Ltd.
10. MSTC Ltd.
11. Mishra Dhatu Nigam Ltd. (MIDHANI)

As approved, listing of CPSEs will be ***through public offer of shares upto 25 per cent of Government of India's shareholding, which may include offer of fresh shares for raising of resources from market.***

However, actual disinvestment in respect of each CPSE alongwith the mode of raising resources has been delegated for decision on a case to case basis to the Alternative Mechanism, headed by the Hon'ble Finance Minister.

The CCEA has also approved reservation of shares for the eligible employees of 11 CPSEs in accordance with the extant provisions of SEBI Regulations.

With a view to ensure wider participation by small investors in the CPSEs' disinvestment program, ***a price discount upto 5 per cent*** on the issue price has also been approved for the retail investors and eligible employees of 11 CPSEs participating in this offer.

From the economic and sectoral perspective, the decision to list 11 CPSEs on stock exchanges through public offer will have the following ***advantages for the stakeholders:***

- (a) Post-listing, value of a CPSE has the potential to be unlocked in multiples of book value of its equity with respective increase in their market capitalization. Once the book value of 11 CPSEs is discovered through the listing process, it will facilitate raising of resources by these companies at comparable cost and hence, achieve higher growth through their expansion/diversification. This will also be reflected in the performance at the sectoral level and overall economic growth.
- (b) Listing of CPSEs will also promote 'people's ownership' by encouraging public participation in CPSEs. Reservation of shares not exceeding 5 per cent of the post-issue capital for the eligible employees of 11 CPSEs, with the further decision to allocate shares to retail investors and employees of CPSEs at a price discount will ensure wider participation of small investors in the CPSEs' disinvestment program.

³Available at : <http://pib.nic.in/newsite/PrintRelease.aspx>

- (c) Listing of profitable CPSEs on the stock exchanges also triggers multi layered oversight mechanism, which not only enhances shareholders' value but also promotes corporate governance norms in such companies. As per the listing requirements of SEBI/ Company Law/Stock Exchanges, CPSEs are required to comply with a number of mandatory disclosure requirements.
- (d) With general public becoming the shareholder in the company through the listing route, the management is open to public scrutiny and thus become more accountable to its shareholders, as per the extant disclosure norms and compliance for listed CPSEs.

GST⁴

The Union Council of Ministers had a two and a half hour class on GST, Digital India and cashless transactions and government e-marketplace in the presence of Prime Minister.

The aim was to ensure its active participation and involvement in the widespread rollout and adoption of initiatives. The PM called the meeting of ministers after Parliament passed GST enabling legislations.

Revenue Secretary Hasmukh Adhia gave a detailed presentation on the intricacies of GST. Finance Minister Arun Jaitley underscored the economic import of the legislation.

Team ICSI

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⁴ Available at: <http://economictimes.indiatimes.com/news/politics-and-nation/narendra-modis-ministers-get-class-on-gst-digital-india/articleshow/58151636.cms>