

Info Capsule

SEBI ISSUED CIRCULAR ON SUBMISSION OF ACCOUNTS FOR DEBT SECURITIES ISSUED UNDER THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES BY MUNICIPALITIES) REGULATIONS, 2015¹

1. The provisions of circular shall be applicable for the debt securities issued, in accordance with SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 on or after April 01, 2017.
2. Regulation 15 (1) (b) of the SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 (SEBI ILDM regulations) requires that an issuer making issue of debt securities under these regulations, on a private placement basis, shall submit its accounts prepared in accordance with National Municipal Accounts Manual or in accordance with similar Municipal Accounts Manual adopted by the respective State Government for at least three immediately preceding financial years.
3. SEBI is in receipt of feedback that as per the processes followed by municipalities/ municipal corporations, the audited accounts for a financial year would be available by the end of the next financial year due to late approval of accounts. The accounts of a financial year, along with the budget for the next financial year, gets approved by the standing committee and governing body only in the next financial year. This leads to time lag of over one financial year.
4. In order to kick-start and provide an impetus to the municipal bond market in India, it has been decided to provide following dispensation to the municipalities with respect to submission of accounts for private placement issues of debt securities under the SEBI ILDM regulations:-

“Any issuer proposing to issue debt securities under these regulations, in the FY 2017-18, shall submit the following documents: a) Audited accounts for the financial years 2013-14, 2014-15 and 2015-16 in the information memorandum to the stock exchanges. b) For the immediately preceding FY i.e. FY 2016-17, the issuers shall submit the half yearly financial statements, as available (audited or unaudited) as on September 2016. However, the audited accounts for the said FY i.e. 2016-17 shall be submitted within one year from the end of that FY (i.e. by March 31, 2018) to the recognized stock exchanges, where the debt securities have been listed. Such audited accounts shall be displayed on the website of the recognized stock

¹Available at : http://www.sebi.gov.in/cms/sebi_data/attachdocs/1490187298628.pdf

exchanges and the issuer. The issuers shall also be required to provide on request, a copy (physical or electronic) of such audited accounts to its investors.”

THE CONTRACT LABOUR (REGULATION AND ABOLITION) CENTRAL AMENDMENT RULES, 2017²

Ministry of Labour & Employment has issued certain rules to further amend the Contract Labour (Regulation and Abolition) Central Rules, 1971, which shall come into force on the date of their publication in the Official Gazette.

In the Contract Labour (Regulation and Abolition) Central Rules, 1971, Rule 69 has been amended to insert payment of wages through current coin or currency notes or by cheque or by crediting the wages in the bank account of the workman. Further, the appropriate Government may, by notification in the Official Gazette, specify the establishment or class of establishments, the employer of which shall pay to every workman employed in such establishment or class of establishments, the wages only by cheque or by crediting the wages in his bank account.

CABINET APPROVES OF PROPOSAL TO ESTABLISH A FUND OF FUND FOR START-UPS³

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the following proposals with regard to the Fund of Funds of Start-ups (FFS) which was established in June, last year with a corpus of Rs. 1,000 crores. Alternate Investment Funds (AIFs) supported by FFS shall invest at least twice the amount of contribution received from FFS in Start-ups qualifying as per the Gazette Notification G.S.R.180 (E) dt. 17/02/2016. Further, if the amount committed for a Start-up in whole has not been released before a Start-up ceases to be so, the balance funding can continue thereafter.

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²Available at : <http://www.labour.nic.in/sites/default/files/notification%20published%20%281%29.pdf>

³ Available at : http://www.pmindia.gov.in/en/news_updates/cabinet-approves-of-proposal-to-establish-a-fund-of-fund-for-start-ups/?comment=disable