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भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

CFD/DIL/HB/RGA/OW/24140/2014

August 14, 2014

✓ Shri A. Kharkar
Vice President,
National Stock Exchange of India Ltd
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051.

Shri Khushro Bulsara
General Manager,
Bombay Stock Exchange Ltd.
Floor 25, P J Towers,
Dalal Street,
Mumbai - 400 001.

Dear Sir,

Re: Letter dated July 14, 2014 received from Ministry of Corporate Affairs (MCA) regarding acceptance of share transfer forms executed before April 01, 2014 after commencement of Companies Act, 2013

1. MCA has informed SEBI that with the commencement of relevant provisions of Companies Act, 2013 several representations have been received by them from various stakeholders stating difficulties faced by them due to refusal by companies to accept share transfer form 7B for registering transfer of securities. MCA has issued a General Circular on June 12, 2014 on the subject.
2. The aforesaid circular issued by MCA is forwarded herewith, with an advice to disseminate the same to the market participants.

Yours faithfully,

Harini S. Balaji

General Circular No. 9/2014

No. 1/4/2013-CL-V
Government of India
Ministry of Corporate Affairs

5th Floor, 'A' Wing, Shastri Bhavan,
Dr R.P. Road, New Delhi

Dated 12th June, 2014

To

All Regional Directors,
All Registrars of Companies,
All Stakeholders.

Subject: Clarifications on Rules prescribed under the Companies Act, 2013 -
Matters relating to share capital and debentures- reg.

Sir,

Government has received representations from Industry Chambers, Professional Institutes and other stakeholders seeking clarifications on matters relating to 'share capital and debentures' under the relevant provisions of the Companies Act, 2013 (Act) read with relevant rules, which have come into force with effect from 1st April, 2014. The representations have been examined and clarifications on the following points are hereby given:-

(i) Share Transfer Forms executed before 1st April, 2014:- In view of prescription of new Securities Transfer Form as per Form SH-4 with effect from 1st April, 2014, the companies and other stakeholders have sought clarity with regard to Share Transfer Forms executed before 1st April, 2014 as per earlier Form 7B but which are yet to be accepted/registered by companies.

The matter has been examined and it is clarified that since transaction relating to transfer of shares is a contract between two or more persons/shareholders, any share transfer form executed before 1st April, 2014 and submitted to the company concerned within the period prescribed under relevant section of the Companies Act, 1956 needs to be accepted by the companies for registration of transfers. In case any such share transfer form, executed prior to 1st April, 2014, is not submitted within the prescribed period under the Companies Act, 1956, the concerned company may get itself

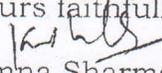
satisfied suitably with regard to justification of delay in submission etc. In case a company decides not to accept the share transfer form, it shall convey the reasons for such non-acceptance within time provided under section 56(4)(c) of the Act.

(ii) Delegation of powers by board under rule 6(2)(a): Clarification has been sought whether the powers of the Board provided under rule 6(2)(a) of Companies (Share Capital and Debentures) Rules, 2014 with regard to issue of duplicate share certificates can be exercised by a Committee of Directors.

The matter has been examined in light of the relevant provisions of the Act, particularly sections 179 & 180 and regulation 71 of Table "F" of Schedule I and it is clarified that a committee of directors may exercise such powers, subject to any regulations imposed by the Board in this regard.

This issues with the approval of the competent authority.

Yours faithfully


(Kamna Sharma)

Assistant Director (Policy)

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1. e-Governance Section and Web Contents Officer to place this circular on the Ministry's website
2. Guard File