

MINISTRY OF CORPORATE AFFAIRS

Notification

New Delhi, the 4th January, 2017

Exemption to Specified IFSC Private company under section 462 of the Companies Act, 2016

G.S.R. 9(E).- In exercise of the powers conferred by clauses (a) and (b) of sub-section (1) of section 462 and in pursuance of sub-section (2) of the said section of the Companies Act, 2013 (18 of 2013), the Central Government, in the interest of public, hereby directs that certain provisions of the Companies Act, 2013 (18 of 2013), as specified in column (2) of the Table, shall not apply or shall apply with such exceptions, modifications and adaptations as specified in column (3) of the said Table, to a private company which is licensed to operate by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 (28 of 2005) read with the Special Economic Zones Rules, 2006 (hereinafter referred to as "Specified IFSC private company"), namely:-

Serial Number	Provisions of the Companies Act, 2013 (18 of 2013)	Exceptions/Modifications/Adaptations
(1)	(2)	(3)
1.	Clause (41) of section 2	In clause (41), after the second proviso, the following proviso shall be inserted, namely:- "Provided also that in case of a Specified IFSC private company, which is a subsidiary of a foreign company, the financial year of the subsidiary may be same as the financial year of its holding company and approval of the Tribunal shall not be required."
2.	Sub-section (2) of section 3	In sub-section (2), the following proviso shall be inserted, namely:- "Provided that a Specified IFSC private company shall be formed only as a company limited by shares."
3.	Clause (a) of subsection (1) of section 4	In clause (a) of sub-section (1), after the proviso, the following proviso shall be inserted, namely:- "Provided further that a Specified IFSC private company shall have the suffix "International Financial Service

		Company” or “IFSC” as part of its name.”
4.	Clause (c) of subsection (1) of section 4	<p>In clause (c) of sub-section (1) of section 4, the following proviso shall be inserted, namely:-</p> <p>“Provided that a Specified IFSC private company shall state its objects to do financial services activities, as permitted under the Special Economic Zones Act, 2005 read with the Special Economic Zones Rules, 2006 and any matter considered necessary in furtherance thereof, in accordance with license to operate, from International Financial Services Centre located in an approved multi services Special Economic Zone, granted by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India.”</p>
5.	Sub-section (1) of section 12	<p>In sub-section (1), the following proviso shall be inserted, namely:-</p> <p>“Provided that a Specified IFSC private company shall have its registered office at the International Financial Services Centre located in the approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 read with the Special Economic Zones Rules, 2006, where it is licensed to operate, at all times.”</p>
6.	Sub-section (2) of section 12	For the words “thirty days” read as “sixty days”.
7.	Sub-section (4) of section 12	For the words “fifteen days” read as “sixty days”.
8.	Sub-section (5) of section 12	<p>For sub-section (5), the following sub-section shall be substituted, namely:-</p> <p>“(5) Except on the authority of a resolution passed by the Board of Directors, the registered office of the Specified IFSC private company shall not be changed from one place to another within the International Financial Services Centre:</p> <p>Provided that a Specified IFSC private company shall not change the place of its registered office to any other place outside</p>

		the International Financial Services Centre.”
9.	Section 21	For the words “an officer” read as “an officer or any other person”.
10.	Sub-sections (3) and (7) of section 42	Shall not apply.
11.	Sub-section (6) of section 42	For the words “sixty days” read as “ninety days”.
12.	Clause (c) of subsection (1) of section 54	Shall not apply.
13.	Sub-section (4) of section 56	In sub-section (4), after the proviso, the following proviso shall be inserted, namely:- “Provided further that a Specified IFSC private company shall deliver the certificates of all securities to subscribers after incorporation, allotment, transfer or transmission within a period of sixty days.”
14.	Sub-section (1) of section 82	In sub-section (1), the following proviso shall be inserted, namely:- “Provided that in case of a Specified IFSC private company, the Registrar may, on an application by the company, allow such registration to be made within a period of three hundred days of such creation on payment of such additional fees as may be prescribed.”
15.	Sub-section (6) of section 89	For the words “thirty days” read as “sixty days”.
16.	Sub-section (3) of section 92	Shall not apply.
17.	Sub-section (1) of section 100	In sub-section (1), the following proviso shall be inserted, namely:- “Provided that in case of a Specified IFSC private company, the Board may subject to the consent of all the shareholders, convene its extraordinary general meeting at any place within or outside India.”
18.	Sub-section (1) of section 117	For the words “thirty days” read as “sixty days”.
19.	Sub-section (1) of section 118	In sub-section (1), the following proviso shall be inserted, namely:-

		“Provided that in case of a Specified IFSC private company, the minutes of every meeting of its Board of Directors or of every committee of the Board, to be prepared and signed in the manner as may be prescribed under sub section (1) at or before the next Board or committee meeting, as the case may be and kept in books kept for that purpose.”
20.	Sub-section (10) of section 118	Shall not apply.
21.	Sub-section (3) of section 134	In sub-section (3), the following proviso shall be inserted, namely:- “Provided that in case of a Specified IFSC private company, if any information listed in this sub-section is provided in the financial statement, the company may not include such information in the report of the Board of Directors.”
22.	Section 135	Shall not apply for a period of five years from the commencement of business of a Specified IFSC private company.
23.	Section 138	Shall apply if the articles of the company provides for the same.
24.	Fourth proviso to subsection (1) of section 139	For the words “fifteen days” read as “thirty days”.
25.	All provisos to subsection (2) of section 139	Shall not apply.
26.	Sub-section (1) of section 140	In sub-section (1), after the proviso, the following proviso shall be inserted, namely:- “Provided further that in case of a Specified IFSC private company, where, within a period of sixty days from the date of submission of the application to the Central Government under this sub-section, no decision is communicated by the Central Government to the company, it would be deemed that the Central Government has approved the application and the company shall appoint new auditor at a general meeting convened within three months from the date of expiry of sixty days period.”
27.	Sub-section (3) of	In sub-section (3), the following proviso

	section 149	shall be inserted, namely:- “Provided that this sub-section shall apply to the Specified IFSC private company in respect of financial years other than the first financial year from the date of its incorporation.”
28.	Sub-section (3) of section 161	In sub-section (3), the following proviso shall be inserted, namely:- “Provided that in case of a Specified IFSC private company, the Board may appoint, any person nominated by any institution or company or body corporate as a director in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company.”
29.	Proviso to sub-section (1) of section 168	For the word “shall” read as “may”.
30.	Sub-section (2) of section 170	For the words “thirty days” at both places read as “sixty days”.
31.	Sub-section (1) of section 173	In sub-section (1), after the proviso, the following proviso shall be inserted, namely:- “Provided further that a Specified IFSC private company shall hold the first meeting of the Board of Directors within sixty days of its incorporation and thereafter hold at least one meeting of the Board of Directors in each half of a calendar year.”
32.	Sub-section (3) of section 174	Shall apply with the exception that interested director may participate in such meeting provided the disclosure of his interest is made by the concerned director either prior or at the meeting.
33.	Sub-section (3) of section 179	In sub-section (3), after the second proviso, the following proviso shall be inserted, namely:- “Provided also that in case of a Specified IFSC private company, the Board can exercise the powers by means of resolutions passed at the meetings of the Board or through resolutions passed by circulation.”

34.	Sub-section (1) of section 185	In the Explanation, for clause (c), the following clause shall be substituted, namely:- “(c) any private company of which any such director is a director or member in which director of the lending company do not have direct or indirect shareholding through themselves or through their relatives and a special resolution is passed to this effect.”
35.	Sub-section (1) of section 186	Shall not apply.
36.	Sub-sections (2) and (3) of section 186	Shall not apply, if a company passes a resolution either at meeting of the Board of Directors or by circulation.
37.	Sub-section (5) of section 186	In sub-section (5), after the proviso, the following proviso shall be inserted, namely:- “Provided further that in case of a Specified IFSC private company, the Board can exercise powers under this sub-section by means of resolutions passed at meetings of the Board of Directors or through resolutions passed by circulation.”
38.	Sub-section (2) of section 384	In sub-section (2), the following proviso shall be inserted, namely:- “Provided that notwithstanding anything contained in this Act, the exemptions provided under section 92 to companies incorporated under this Act for the purpose of operating from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 (28 of 2005) and the Special Economic Zones Rules, 2006, shall apply mutatis mutandis to a foreign company registered under Chapter XXII of this Act, which has a place of business or which conducts business activity from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006.”
39.	Sub-section (4) of	In sub-section (4), the following proviso

	section 384	<p>shall be inserted, namely:-</p> <p>“Provided that notwithstanding anything contained in this Act, the exemptions provided under Chapter VI to companies incorporated under this Act for the purpose of operating from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 (28 of 2005) and the Special Economic Zones Rules, 2006, shall apply <i>mutatis mutandis</i> to a foreign company registered under Chapter XXII of this Act, which has a place of business or which conducts business activity from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006.”</p>
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2. A copy of this notification has been laid in draft before both Houses of the Parliament as required by sub-section (2) of section 462 of the Companies Act, 2013 (18 of 2013).

[F. No. 3/1/2015-CL.I (Part-1)]

AMARDEEP SINGH BHATIA, Jt. Secy.