



NEWSLETTER ^{Weekly}

Volume – XLII, Issue – V, Dated: 29th January, 2018

RESERVE BANK OF INDIA

Updated Master Direction – Reporting under Foreign Exchange Management Act, 1999

The Reserve Bank of India, has prescribed various reports and forms under Foreign Exchange Management Act, 1999 (FEMA) to be submitted by/through Authorised Persons/Authorised Dealer Category-I Banks/ Authorised Banks. Accurate compilations and timely submission of these reports are of critical importance as they not only act as a supervisory tool but also help in fine-tuning the policies relating to foreign exchange transactions regulated under FEMA. The various reports/ forms required to be submitted under FEMA are updated and consolidated under this Master Direction as on 24 January 2018.

Source: <http://rbidocs.rbi.org.in/rdocs/notification/PDFs/13MDRD77DCF42C4E64B6C9A83C24EF5D4E188.PDF>

Cancellation of Banking Licence – The Bhopal Nagrik Sahakari Bank Ltd., Bhopal

The Reserve Bank of India (RBI) has, vide order dated January 17, 2018 cancelled the licence of The Bhopal Nagrik Sahakari Bank Ltd, Bhopal, Madhya Pradesh to carry on banking business, with effect from the close of business on January 22, 2018. The Registrar of Co-operative Societies, Madhya Pradesh has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank.

The Reserve Bank cancelled the licence of the bank as:

- i. The bank does not have adequate capital structure and earning prospects.
- ii. The bank is not in a position to pay its present and future depositors in full, as and when their claims accrue.
- iii. The affairs of the bank are being conducted in a manner detrimental to the interest of the present and future depositors.
- iv. The bank has not taken any positive steps for capital augmentation and financial restructuring and there is no concrete / viable revival plan.
- v. The financial position of the bank leaves no scope for its revival though the bank has been given ample time and opportunity for turnaround.
- vi. Public interest would be adversely affected if the bank is allowed to carry on its banking business any further.

Consequent to the cancellation of its licence, The Bhopal Nagrik Sahakari Bank Ltd, Bhopal, Madhya Pradesh is prohibited from conducting the business of 'banking' which includes acceptance of deposits and repayment of deposits as defined in Section 5(b) read with Section 56 of the Banking Regulation Act, 1949 with immediate effect.

With the cancellation of licence and commencement of liquidation proceedings, the process of paying the depositors of The Bhopal Nagrik Sahakari Bank Ltd, Bhopal, Madhya Pradesh as per the DICGC Act, 1961 will be set in motion. On liquidation, every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of Rs. 1,00,000/- (Rupees One Lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) as per usual terms and conditions.

Source: <https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR20102C7A2F8560C345CABC27124E23E405AA.PDF>

MINISTRY OF CORPORATE AFFAIRS

COMPANIES (AMENDMENT) ACT, 2017

In exercise of the powers conferred by sub-section (2) of section 1 of the Companies (Amendment) Act, 2017 (1 of 2018), the Central Government hereby appoints the 26th January, 2018 as the date on which the provisions of section 1 and section 4 of the said Act shall come into force. The provisions which are to come into force are more particularly described herein below.

Section 1 states that Companies (Amendment) Act, 2017 shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act and revised Section 4(5)(i) states that upon receipt of an application under sub-section (4), the Registrar may, on the basis of information and documents furnished along with the application, reserve the name for a period of twenty days from the date of approval or such other period as may be prescribed. Provided that in case of an application for reservation of name or for change of its name by an existing company, the Registrar may reserve the name for a period of sixty days from the date of approval.

Source: <http://www.nfcg.in/UserFiles/THE-COMPANIES-AMENDMENT-ACT-2017.pdf>

NOTIFICATION FOR FURTHER AMENDMENT OF THE COMPANIES (REGISTRATION OFFICES AND FEES) AMENDMENT RULES, 2018

In exercise of the powers conferred by sections 396, 398, 399, 403 and 404 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Registration Offices and Fees) Rules, 2014, namely:— 1. (1) These rules may be called the Companies (Registration Offices and Fees) Amendment Rules, 2018 and these rules may be called the Companies (Registration Offices and Fees) Amendment Rules, 2018.

In the Companies (Registration Offices and Fees) Rules, 2014, in rule 10, in sub-rule (3), the following proviso shall be inserted, namely:-

“provided that no re-submission of the application is allowed in the case of reservation of a name through web service – RUN”.

The Amendment is detailed in the link mentioned herein below.

Source: <http://www.egazette.nic.in/WriteReadData/2018/182248.pdf>

THE MINISTRY OF CORPORATE AFFAIRS (MCA) IS LAUNCHING THE GOVERNMENT PROCESS RE-ENGINEERING (GPR) INITIATIVES FOR MAKING THE INCORPORATION PROCESS SPEEDY, SMOOTH, SIMPLE AND REDUCING THE NUMBER OF PROCEDURES INVOLVED FOR STARTING A NEW BUSINESS.

Government of India is committed to achieve a position in the top 50 countries for “Doing Business” as per the rankings published annually by the World Bank. During the past 3 years. The Ministry of Corporate Affairs has contributed significantly towards improvement of ranking in Ease of Doing Business in the country, but there is a lot more scope to further improve, especially with respect to starting a business.

The feedback provided by various stakeholders on the effectiveness of the implementation of initiatives taken by Government of India is considered as a major input during the survey conducted by the World Bank. During the last assessment year, this Ministry had undertaken major initiatives such as establishing the “Central Registration Centre (CRC)” for delivering speedy incorporation related services and near real time issuance of PAN & TAN through a single on-line process. This was achieved by the launch of the Simplified Proforma for Incorporating Company Electronically (SPICe) which delivers five services by two different Ministries through a single form filed on the MCA21 Portal.

This year, on the occasion of 69th Republic Day, the Ministry is launching the following Government Process Re-engineering (GPR) initiatives for making the Incorporation Process Speedy, Smooth, Simple and reducing the number of procedures involved for starting a Business.

- (i) Introduction of “RUN – Reserve Unique Name” Web service for name reservation, which will be launched on 26.01.2018.
- (ii) Zero fee for incorporation of all companies with authorized capital upto Rs. 10 lakh.
- (iii) Re-engineering the process of allotment of DIN by allotting it through the combined SPICe form only at the time of an individual’s appointment as Director (in case he/she doesn’t have a DIN).

Source: <http://pib.gov.in/PressReleaseDetail.aspx?PRID=1517960>

MINISTRY OF FINANCE

NOTIFICATION FOR FURTHER AMENDMENT OF THE CENTRAL GOODS AND SERVICE TAX RULES, 2017

In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017 and these rules may be called the Central Goods and Services Tax (Amendment) Rules, 2018.

In the Central Goods and Services Tax Rules, 2017, -

- (i) in rule 3, in sub-rule (3A), in place of “ninety days”, the words “one hundred and eighty days” shall be substituted;

The Amendment is detailed in the link mention herein below.

Source: <http://www.egazette.nic.in/WriteReadData/2018/182229.pdf>

THE GOVERNMENT OF INDIA ANNOUNCES DETAILS OF BANK RECAP AND COMPREHENSIVE REFORM PLAN

The Government of India unveiled details of the re-capitalisation of Public Sector Banks (PSBs) announced in October, 2017. The capital infusion plan for 2017-18 includes Rs. 80,000 crore through Recap Bonds and Rs. 8,139 crore as budgetary support. This plan addresses regulatory capital requirement of all PSBs and provides a significant amount towards growth capital for increasing lending to the economy.

The recap would be accompanied by a strong reforms package across six themes incorporating 30 action points. The reforms agenda is based on the recommendations made at the PSB Manthan held in November, 2017 involving senior management of PSBs and representatives from Government. The reform agenda is aimed at EASE - Enhanced Access and Service Excellence, focusing on six themes of customer responsiveness, responsible banking, credit off take, PSBs as Udyami Mitra, deepening financial inclusion & digitalisation and developing personnel for brand PSB. The overarching framework for the reforms agenda is “**Responsive and Responsible PSBs**”.

Capital infusion by the Government is contingent on performance of PSBs on the reform. Whole Time Directors of PSBs would be assigned theme wise reforms for implementation. Their performance in this regard would be evaluated by the bank Board.

A survey by an independent agency in respect of EASE would be conducted to measure public perception about improvements in access and service quality. Results of the survey shall be made public each year.

Taken together, the recap & reform agenda is sharply focused on strengthening PSBs, increasing lending to MSMEs and making it easier for MSMEs and retail customers to transact as well as significantly increasing access to banking services. It includes a commitment to banking services within 5 kms of every village, refund within 10 days of any unauthorised debit in electronic transactions, a mobile App for locating banking outlets and a mobile ATM in every underserved district.

Source: <http://pib.gov.in/PressReleaseDetail.aspx?PRID=1517960>

Your suggestions are invited regarding improvement of the format of the newsletter and its relevance to your work.

You may send your suggestions at sujoy@asalegal.in

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