

Info Capsule

MCA NOTIFIES AMENDMENT RULES IN MEETINGS OF BOARD & ITS POWERS RULES DATED 30TH MARCH, 2017¹

Ministry of Corporate Affairs has notified amendment to the sub-rule (3) of Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 which shall come into force on the date of their publication in the Official Gazette i.e. March 30, 2017.

The amendment provides that in case of related party transaction, the Central Government has substituted the transaction or transactions limits to be entered into as contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of Section 188 provided in clause (a) and (b) of Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 whereby now for the items mentioned under clause (a) the transaction limits are now substituted by the words “amounting to ten percent or more” for the words “exceeding ten per cent.” and in clause (b) for the item (iii) for the words “ten percent of turnover” the words “ten percent or more of turnover” shall be substituted.

MCA NOTIFIES AMENDMENT RULES IN COMPANIES AUDIT & AUDITOR RULES DATED 30TH MARCH, 2017²

Ministry of Corporate Affairs has notified amendment to Companies (Audit and Auditors) Rules, 2014 which shall come into force on the date of their publication in the Official Gazette i.e. March 30, 2017.

The amendment provides that in Rule 11, after clause (c), the following clause shall be inserted:-

“Whether the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and if so, whether these are in accordance with the books of accounts maintained by the company.”

¹ Available at http://www.mca.gov.in/Ministry/pdf/CompaniesMeetingsofBoard_31032017.pdf

² Available at http://www.mca.gov.in/Ministry/pdf/ScannedCompaniesAuditandAuditorsRules_31032017.pdf

IBBI NOTIFIES THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (VOLUNTARY LIQUIDATION PROCESS) REGULATIONS, 2016³

IBBI has notified the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2016 which shall come into force from April 1, 2017. These Regulations shall apply to the voluntary liquidation of corporate persons provided under Chapter V of Part II of the Insolvency and Bankruptcy Code, 2016 i.e. the companies, limited liability partnerships and any other persons incorporated with limited liability.

The regulations provides for the requisite majority to initiate voluntary liquidation proceedings, provisions for appointment of Liquidator and their remuneration, their powers and functions. The regulations also provides for the manner and content of public announcement, receipt and verification of claims of stakeholders, reports and registers to be maintained, preserved and submitted by the liquidator, realisation of assets and distribution of proceeds to stakeholders, distribution of residual assets and the dissolution of corporate person.

RBI ADVISORY ON E-WALLETS⁴

The Reserve Bank of India via a press release 2016-2017/2624, has advised the users of Pre-paid Payment Instruments (PPIs), including mobile and electronic wallets, that only non-bank entities authorised by RBI under the Payment and Settlement Systems Act, 2007 (the Act) can issue PPI wallets for purchase of goods and services from third parties and money transfer within India. Only permitted banks can issue PPI wallets which in addition to purchase of goods and services from third parties and money transfer within India, can also be used for withdrawing cash. An updated list of entities is available on the Reserve Bank's website. Public should access the RBI website for the list of such bank and non-bank entities issuing e-wallets and pre-paid cards.

Intermediaries, like aggregators and payment gateways, which facilitate payment services, though not authorised by Reserve Bank under the Act, are however required to route their transactions only through a nodal account opened with a bank under Reserve Bank's guidelines of November 24, 2009.

Background

Reserve Bank frames guidelines under the Payment and Settlement Systems Act, 2007 in respect of various payment systems, including issuance of Pre-paid Payment Instruments (PPIs). This advisory is being issued as the usage of digital payment options, including e-wallets is on the rise and public can make an informed choice.

GOODS AND SERVICE TAX

GST Bill will be taken up in Rajya Sabha today for discussion and passage. The GST Council had already approved the rest of the rules on March 31 needed to roll out the regime from July 1.

³ Available at [http://ibbi.gov.in/IBBI%20\(Voluntary%20Liquidation\).pdf](http://ibbi.gov.in/IBBI%20(Voluntary%20Liquidation).pdf)

⁴ Available at <https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR2624301EA7F429F244258FBCFE2261CF3BE9.PDF>

GST Council gave approval to amending the five rules on registration of entities under the GST regime, filing of returns, payment of tax and refund, invoicing and debit and credit notes in consonance with the GST law approved by Parliament.

The panel headed by Finance Minister will meet again on May 18-19, 2017 in Srinagar to finalise the rates of different commodities and services as also to approve the remaining ones.⁵

Team ICSI

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⁵Available at <http://www.newsnation.in/india-news/live-updates-gst-bill-in-rajya-sabha-for-discussion-and-passage-debate-on-gst-bill-in-parliament-article-167171.html>