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conditions stipulated in the FDI Policy, 2017. Convertible notes are defined as an instrument representing debt repayable at the option of the holder or convertible into equity shares within a period of 5 years from the date of the issue. [See DIPP, Notice dated 28th August 2017]

➔ ICSI amends Secretarial Standards

Institute of Company Secretary of India ("ICSI"), has issued a revised version of Secretarial Standards 1 i.e. Meeting of Board of Directors & Secretarial Standards 2 i.e. General Meeting ("**SS-1 & SS-2**") which shall be effective from 1st October 2017. Few highlights of SS-1 are: (i) restriction on companies to not to convene board meetings and adjourned board meetings on national holiday has been removed; (ii) earlier notice of board meeting cannot be sent by a courier. However, in case of a meeting conducted at a shorter notice, the company may choose an expedient mode of sending the notice; (iii) board of directors have to decide time period for maintenance of proof of sending of notice of board meeting, the time period should not be less than 3 years from the date of meeting and; (iv) there is no need to hold board meeting in each calendar quarter, it is in alignment with the Act. Few Highlights of SS-2 are: (i) an instrument appointing proxy shall be in the the form as prescribed under the Companies Act, 2013; ("**the Act**") (ii) a new clause is inserted for the President of India/ Governor of State for appointment of representative and for corporations to authorize their representative, so they can participate in a meeting till on or before close of e-voting; (iii) minute's book can only be kept at the registered office of the company to align with the provisions of the Act, and; (iv) no need to mention the time of conclusion of general meeting.

➔ Establishment of Technology and Innovation Support Centres

To achieve the objectives of the National IPR Policy 2016, the Cell for IPR Promotion and Management ("**CIPAM**") has been designated as National Focal Point ("**NFP**") for establishing and developing Technology and Innovation Support Centres ("**TISCs**") all over India, in collaboration with World Intellectual Property Organisation ("**WIPO**"). The main objectives of TISC are: (i) to stimulate a dynamic, vibrant and balanced Intellectual Property Rights system in India and; (ii) foster creativity and innovation, thereby promoting entrepreneurship and enhancing social, economic and cultural development. Organizations that would like to promote creativity, entrepreneurship, knowledge sharing, exchange of best practices, generation & commercialization of IPs, can consider hosting a TISC. [See DIPP, Public Notice dated 1st August 2017]

Corporate Brief

➔ DIPP issues FDI Policy, 2017

DIPP has issued the updated and revised Foreign Direct Investment Policy, 2017-2018 ("**FDI Policy, 2017**"). The highlights of the FDI Policy, 2017 are: (i) Foreign Investment Promotion Board has been abolished and Foreign Investment Facilitation Portal has been introduced as an administrative body to facilitate FDI applicants; (ii) Introduction of sector specific administrative ministry/ department as 'Competent Authorities' has been introduced to grant government approval for FDI; (iii) Standard Operating Procedure setting out detailed procedure and timeline for applications as well as the list of Competent Authorities for processing government approvals for FDI has been introduced; (iv) Limited Liability Partnership ("**LLP**") operating in sectors where 100% FDI is allowed under automatic route, are permitted to convert into a company and also conversion of company into LLP is also permitted under automatic route; (v) 'FDI linked performance conditions' have been defined to mean the sector specific conditions for companies receiving foreign investment; and; (vi) Start-ups are permitted to issue equity or equity linked instruments or debt instruments to Foreign Venture Capital Investor against receipt of foreign remittances, as per FEMA Regulation. Startups are also permitted to issue convertible notes to person resident outside India, subject to certain

➔ *Government of India amends FTP, 2015-2020*

Ministry of Commerce & Industry, has amended the Foreign Trade Policy (“FTP”), 2015-2020. Highlights of the amendments are: Earlier status holders were entitled to export freely exportable items on free of cost basis for export promotion, subject to an annual limit of Rs. 10 lakh or 2% of average annual export realization during preceding three licensing year. Pursuant to the notification, (i) such limit has been increased from Rs. 10 lakh to Rs. 1 crore; (ii) For export of pharma products, the annual limit would be 2% of the average annual export realization during preceding three licensing years and; (iii) in case of supplies of pharmaceutical products, vacancies and lifesaving drugs to health programmes of international agencies, the annual limit shall be upto 8% of the average annual export realization during preceding three licensing years. [See Ministry of Commerce & Industry Notification No. 23/2015-2020, dated 23rd August 2017]

➔ *MCA amends NCLAT Rules, 2016*

MCA has made amendment in Rule 63 of the National Company Law Appellate Tribunal (“NCLAT”) Rules, 2016 w.r.t. Appearance of Authorised Persons before NCLAT. Apart from existing authorization to representatives of the petitioners and respondents, provisions have been added that Central Government, Regional Director or Registrar of Companies or Official Liquidator may authorize an officer or an advocate to represent in the proceedings before Appellate Tribunal. However, the officer appointed should not be below the rank of Junior Time Scale or company prosecutor. [See MCA Notification No. F.No. 1/30/2013-CL-V, dated 23rd August 2017]

➔ *IRDAI issues clarification for creation of Debenture Redemption Reserve*

IRDAI had permitted insurers to raise capital in other forms such as preference shares and subordinated debt, by issue of IRDAI (Other Forms of Capital) Regulations, 2015. Some insurers had issued debentures and thereafter approached the IRDAI seeking clarification whether they are required to create Debenture Redemption Reserve (“DRR”) as per Section 71 of the Companies Act, 2013. The authority advised that the insurers which have raised capital by issue of debentures, shall create DRR and as per the regulations, a DRR of 25% of the value of outstanding debentures shall be adequate. [See IRDAI Notification No. IRDA/f&A/OFC/01/2014-2015/115, dated 4th August 2017]

➔ *Online registration mechanism for Custodian of Securities*

SEBI has decided to operationalize the SEBI Intermediary Portal for all the applicants seeking registration as custodian of securities under the provisions of SEBI (Custodian of Securities) Regulations, 1996. The same shall be made operational with immediate effect. [See SEBI Circular No. CIR/IMD/FPIC/094/2017, dated 9th August 2017]

➔ *Online registration mechanism for Securities Market Intermediaries*

SEBI in order to improve ease of doing business has adopted various technological solutions in its interface with market participants. All the intermediaries including stock brokers, sub-brokers, depository participants, mutual funds, underwriters, real estate investment trusts, alternative investment trusts, alternative investment funds etc. are required to submit their applications online for registration, processing of application, grant of final registration, application for surrender/ cancellation etc. All the applications are to be submitted through an online process only, through SEBI Intermediary Portal. [See SEBI, PR No. 53/2017, dated 16th August 2017]

➔ *SEBI constitutes Committee on Fair Market Conduct*

SEBI has set up the Committee on Fair Market Conduct (“**The Committee**”) under the chairmanship of Shri V.K. Viswanathan, Ex-Secretary General, Lok Sabha and Ex Law Secretary. The role of the Committee will be: (i) identification of opportunities for improvement in SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practice relating to Securities Markets) Regulations, 2003; (ii) alignment of Insider Trading Regulations to Companies Act provisions; (iii) suggest short term and medium term measures for improved surveillance of the market as well as issues of high frequency trades; (iv) harnessing of technology and analytics in surveillance and; (v) suggest evidentiary issues in antifraud enforcement. The Committee is expected to submit its report within a period of four months. [See SEBI PR No 49/2017 dated 1st August 2017]

➔ *The Banking Regulation Act, 1949 amended*

The Banking Regulation Act, 1949 has been amended and the following provisions have been added: (i) The Central Government has been empowered to authorize the RBI to issue directions to any banking companies to initiate insolvency resolution process in respect of default, under the provisions of the Insolvency and Bankruptcy Code, 2016 and; (ii) RBI has been empowered to issue directions to banking companies for resolution of stressed assets. [See RBI PR dated 18th August 2017 & 24th August 2017]

➔ *RBI issues new currency notes of Rs. 50 & Rs. 200*

RBI has introduced a new batch of banknotes on 25th August 2017 of Rs. 200 & Rs. 50 denomination in Mahatma Gandhi Series, bearing the signature of Dr. Urjit R. Patel, Governor, RBI. The base colour of Rs. 200 is bright yellow and the same has been issued from 25th August 2017. In further clarification provided by RBI, all Rs. 50 banknotes issued in the past will continue to be a legal tender. [See RBI PR dated 18th August 2017 & 24th August 2017]

GST Brief

➔ *GST E-Way Bill Rules notified*

GST Council, in its meeting held on 5th August 2017, finalized the Electronic Way Bill Rules ("**E-Way Bill Rules**"). The effective date of implementation of the rules are yet to be notified. E-Way Bill Rules is an electronic way bill for movement of goods which can be generated online through the GST portal. [See Central Tax Notification No. 27/2017, dated 30th August 2017]

➔ *Compensation Cess on Motor Vehicles increased*

The Schedule to Goods and Services Tax (compensation to States) Act, 2017, specifies the maximum rate at which Goods and Service Tax Compensation Cess may be collected. In respect of motor vehicles, earlier the rate was 15%. Consequent on the recommendations of the GST Council, the rate was revised to 25% with effect from 2nd September 2017. [See C.B.E & C. Press Release No. 95/2017, dated 30th August 2017]

➔ *Government extends tax exemption for industry in North East, hilly states*

Cabinet Committee on Economic Affairs, Government of India has approved the scheme for providing budgetary support of Rs. 27,413 crore from 01.07.2017 till 31.03.2027 under Goods and Service Tax Regime for eligible industrial units in the state of Jammu & Kashmir, Uttarakhand, Himachal Pradesh and North Eastern states including Sikkim for such industrial units located in aforesaid states which availed the benefit of Central Excise exemption prior to coming into force of GST regime. [See Press Information Bureau, Government of India, Print Release dated 16th August 2017]

➔ *Banks to pay 3% IGST on gold imports*

Central Board of Excise and Customs, through frequently asked questions clarified that banks importing gold and precious metals will have to pay 3% tax under the GST which can be claimed as input tax credit, the Government has said. Earlier, the banks did not pay any VAT on import of precious metals, they only paid customs duty. [See <http://cbec.gov.in>]

RERA Brief

➔ *Karnataka Real Estate Regulatory Authority issues notice to all unregistered promoters imposing penalty*

Karnataka Real Estate Regulatory Authority, has issued a public notice where all the promoters/ agents who have not registered themselves with RERA Karnataka in accordance with section 3(1) and 9(1) of The Real Estate (Regulation and Development) Act, 2016 are barred from advertising, marketing, booking, selling or offering for sale, or inviting persons to purchase in any manner any plot, apartment or building as the case may be in any real estate project or part of it in any planning area. If the promoters and agents fail to comply with this, they shall be penalized accordingly under section 59 of the Real Estate (Regulation and Development) Act, 2016. [See Public Notice, dated 19th August 2017]

➔ *Maharashtra Real Estate Regulatory Authority gets charge of two union territories*

Maharashtra Real Estate Regulatory Authority, has been given the additional charge of two Union Territories of Dadra Nagar Haveli and Daman & Diu. There are around 800 ongoing real estate projects in these two union territories, for which the authority has already started working.

➔ *RERA compliance a must for builders to avail bank loans*

Banks in consultation with RBI, have decided not to extend loans to those projects which have not been registered under RERA. Banks have also sought additional collateral, including on personal properties of promoters, as guarantees while disbursing loans to few real estate developers.

➔ *States notify RERA rules & launch websites*

Karnataka, Himachal Pradesh and Telangana have notified RERA rules this month. Meanwhile, Himachal Pradesh launched their website.

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