

**Ajit Shah**  
B.Com, LL.B, DIEM  
**EXPORT • IMPORT • TRAINING**

Ref. No : UC/2353

Date : 14.04.2017

To,  
Shri Sanjaybhai Patel,  
The Chairman  
Taxation Committee  
The Bombay Master Printers' Association (BMPA)  
Mumbai

Email : info@parampackaging.com  
Mob : +91 9820151244

Dear Sir,

We refer to our personal meeting on 27.03.2017 at your office. We are delighted to know that you have taken charge of taxation committee of the association.

As desired by you, we are enclosing herewith our report for a period of 3 months, 1<sup>st</sup> January, 2017 to 31<sup>st</sup> March, 2017.

We trust you will find the same as per your requirement.

Regards,

Ajit Shah

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B/803-804, Sai Baba Enclave Bldg No. 2, Next To Citi Centre, S.V.Road, Goregaon (West), Mumbai - 400 062  
Tel: 91-22-28721397 / 28771089 \* Fax: 91-22-28771089 \* Email: asktoajs@yahoo.com

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Quarterly report of various information during the period of 01.01.2017 to 31.03.2017.

For the members of The Bombay Master Printers' Association (BMPA)

Subject : FEMA / RBI /BANKING

**1**

The activities of import is controlled by The Customs Department and it is monitored by RBI through the bank with reference to Foreign Exchange Remittance.

Importer is required to remit the Foreign Exchange to his overseas supplier. Importer is required to submit the evidence of import to his bank as per Master Direction No. 17 dated January 1, 2016. This practice is changed.

RBI has issued a Circular No. 27 on 12.01.2017 on Evidence of Import under Import Data Processing and Monitoring System (IDPMS)

One of the function of the reserve bank is to monitor the foreign exchange.

Earlier, Bill of Entry data was received in IDPMS from Customs Department for EDI ports and from NSDL for SEZ on daily basis. BoE data for non-EDI ports were entered by bank of the importer on receipt of BoE (importer's copy) and then the bank uploads the data in IDPMS through "Manual BOE reporting" process.

In order to enhance ease of doing business and reduce transaction costs, it has been decided to discontinue submission of hardcopy of Evidence of Import documents i.e. BoE, with effect from December 01, 2016, as it is available in IDPMS. The revised procedures are as set out below:

Bank will enter BoE details (BoE number, port code and date) as received from the importer and download the BoE message data from "BOE Master" in IDPMS. Thereafter, match and settle the BoE data with Outward Remittance Message (ORM) associated with the payment for import as per the message format "BOE Settlement" in IDPMS. Multiple ORMs can be settled against single BoE and also multiple BoE(s) can be settled against one ORM.

In respect of imports on credit basis, the bank shall verify the evidence of import from IDPMS at the time of effecting remittance of import bill.

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On settlement of ORM with evidence of import bank shall in all cases issue an acknowledgement slip to the importer containing the following particulars:

- a. importer's full name and address with code number ;
- b. number and date of BoE and the amount of import; and
- c. a recap advice on number and amount of BoE and ORM not settled for the importer.

The importer needs to preserve the printed 'Importer copy' of BoE as evidence of import and acknowledgement slip for future use.

In case, the original bill of entry was not available, there was a provision to substitute the same. Under the new system, these provision for Evidence of Import in Lieu of Bill of Entry will apply.

Banks shall continue to follow up for outward remittance made for import. Importer should keep all the data of import for the submission to the bank in case the same is required by the bank.

The entire above system is subject to Verification, Inspection and Audit to ensure the full proof system. Necessary data will be preserved for reasonable time in the system as per the guideline of investigating agencies and cyber security system.

## 2

As a part of Demonization of Rs. 500/- and Rs. 1000/- on 08.11.2016, The government has put several restrictions on withdrawal of cash amount from the bank account and also from ATM.

Initially, the amount permitted to withdraw was less but over a period of time, the government enhanced the limit. On January 16, 2017. The RBI issued Circular No. 213 to Enhance of withdrawal limits from ATMs and Current Accounts

(i) The limit on withdrawals from ATMs has been enhanced from the current limit of Rs. 4,500/- to Rs. 10,000/- per day per card (It will be operative within the existing overall weekly limit).

(ii) The limit on withdrawal from current accounts has been enhanced from the current limit of Rs. 50,000/- per week to Rs. 1,00,000/- per week and it extends to overdraft and cash credit accounts also. There are no changes in the other conditions.

The effect of this circular is that people will have more cash available with them for day to day cash expenses.

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### 3

Any investment made by Indian company or an individual is governed by the rules & regulations of RBI. The government is issuing various instructions and directions in this regards from time to time.

Terrorism is a big challenge by many countries of the world. India is no more and exception.

Our prime minister has proclaimed form the various forum about fighting against terrorism. RBI has issued a Circular No. 28 on January 25, 2017 Prohibiting Indian Party from making direct investment in countries identified by the Financial Action Task Force (FATF) as “Non Co-operative countries and territories”.

Upto now, there was no restriction on an Indian Party with regard to the countries, where it can undertake Overseas Direct Investment. To match the instructions with the objectives of FATF, it has been decided to prohibit an Indian Party from making direct investment in an overseas entity (set up or acquired abroad directly as JV/ WOS or indirectly as step down subsidiary) located in the countries identified by the FATF as “non co-operative countries and territories” list is available on [www.fatf-gafi.org](http://www.fatf-gafi.org).

The effect of this notification is that the company in India has to check the name of the country before the investment.

### 4

On January 30, 2017 vide Circular No. 2017, RBI has urged the banks to encourage their account holders to sustain the movement towards digitisation of payments.

Banks are requested to encourage their accounts holders to change the payments from cash mode to non-cash mode.

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All people who are dealing in Foreign Exchange are required to comply with various provision of Foreign Exchange Management Act, 1999 (FEMA).

Many times there are lapses on the part of the company in compliance with various provisions of FEMA. You are required to file various returns / Forms / Information / Data. This is also within the prescribed time limit and also in the prescribed forms.

RBI has delegated powers to the Regional offices of RBI to compound the contravention of FEMA. This Compounding is based on the lapses and the amount involved. Generally it is per day basis.

RBI vide Circular No. 29 dated February 02, 2017 has further delegated powers to regional office for Delay in filing the Annual Return on Foreign Liabilities and Assets (FLA return), by all Indian companies which have received Foreign Direct Investment in the previous year(s) including the current year

This circular will benefit those company who has delay in filling in annual return for foreign direct investment in previous year / current year.

## 6

Vide RBI Circular No. 224 dated February 08, 2017. The limits on cash withdrawals from Saving Bank accounts has been removed.

Effective February 20, 2017, the limits on cash withdrawals from the Savings Bank accounts will be enhanced to Rs. 50,000 per week (from the current limit of Rs. 24,000 per week); and Effective March 13, 2017, there will be no limits on cash withdrawals from Savings Bank accounts.

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Vide Circular No. 225 dated February 9, 2017. Rate of interest on various small savings schemes for the fourth quarter of the financial year 2016-17 are revised as follows:

Instruments	Rate of Interest w.e.f. 01.10.2016 to 31.12.2016	Rate of Interest w.e.f. 01.01.2017 to 31.12.2017	Compounding Frequency*
Saving Deposit	4.0	4.0	Annually
1 Year Time Deposit	7.0	7.0	Quarterly
2 Year Time Deposit	7.1	7.1	Quarterly
3 Year Time Deposit	7.3	7.3	Quarterly
5 Year Time Deposit	7.8	7.8	Quarterly
5 Year Recurring Time Deposit	7.3	7.3	Quarterly
5 Year Senior Citizens Savings Scheme	8.5	8.5	Quarterly and Paid
5 Year Monthly Income Account Scheme	7.7	7.7	Monthly and Paid
5 Year National Savings Certificate	8.0	8.0	Annually
Public Provident Fund Scheme	8.0	8.0	Annually
Kisan Vikas Patra	7.7 (will mature in 112 months)	7.7 (will mature in 112 months)	Annually
Sukanya Samridhi Account Scheme	8.5	8.5	Annually

\* No Changes

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To cope up the financial transactions, RBI has issued circular No. 256 on March 24, 2017 declaring that All Agency Banks to remain open for public on all days from March 25, 2017 to April 1, 2017

The Government of India has advised that all Pay and Account Offices will remain open on all days up to April 1, 2017 to facilitate government receipt and payment functions. Accordingly, all Agency Banks are advised to keep all their branches dealing with government business open on all days in the current financial year and on April 1, 2017 (including Saturday, Sunday and all holidays).

With a view to facilitate accounting of all the Government transactions for the current financial year (2016-17) by March 31, 2017, it has been decided that all payment systems, including RTGS and NEFT would operate, as on a normal working day, during the period March 25 to April 1, 2017 (including Saturday, Sunday and all holidays). Besides, the extended timings on March 30 & 31, 2017 for the centralised payment systems viz., RTGS & NEFT, have already been a advised to the member banks via a broadcast message.

This will facilitate the people to submit their taxes to the banks even on holidays.

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CONFIDENTIALITY INFORMATION AND DISCLAIMER.

This information is exclusively privileged and confidential, and is directed to the addressee(s) only. The information is based on our best knowledge on the subject and available resources at our disposal during the study. You are advised to refer the amendments time to time. We shall not be responsible for any acts / omissions / decisions; the addressee takes on the basis of this information. The addressee shall be sole responsible for any act/omissions or decisions.

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