ORDINANCES, 2017

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 4th May, 2017/Vaisakha 14, 1939 (Saka)

THE BANKING REGULATION (AMENDMENT) ORDINANCE, 2017
No. 1 of 2017

Promulgated by the President in the Sixty-eighth Year of the Republic of India.

An Ordinance further to amend the Banking Regulation Act, 1949.

WHEREAS the stressed assets in the banking system have reached unacceptably high levels and urgent measures are required for their resolution;

AND WHEREAS the Insolvency and Bankruptcy Code, 2016 has been enacted to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets to promote entrepreneurship, availability of credit and balance the interest of all the stakeholders;
AND WHEREAS the provisions of Insolvency and Bankruptcy Code, 2016 can be effectively used for the resolution of stressed assets by empowering the banking regulator to issue directions in specific cases;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (I) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. (I) This Ordinance may be called the Banking Regulation (Amendment) Ordinance, 2017.

(2) It shall come into force at once.

2. In the Banking Regulation Act, 1949, after section 35A, the following sections shall be inserted, namely:—

35AA. The Central Government may by order authorise the Reserve Bank to issue directions to any banking company or banking companies to initiate insolvency resolution process in respect of a default, under the provisions of the Insolvency and Bankruptcy Code, 2016.

Explanation.—For the purposes of this section, “default” has the same meaning assigned to it in clause (12) of section 3 of the Insolvency and Bankruptcy Code, 2016.

35AB. (1) Without prejudice to the provisions of section 35A, the Reserve Bank may, from time to time, issue directions to the banking companies for resolution of stressed assets.

(2) The Reserve Bank may specify one or more authorities or committees with such members as the Reserve Bank may appoint or approve for appointment to advise banking companies on resolution of stressed assets.’.

PRANAB MUKHERJEE,
President.

DR. G. NARAYANA RAJU,
Secretary to the Govt. of India.
THE PUNJAB MUNICIPAL CORPORATION LAW (EXTENSION TO CHANDIGARH) AMENDMENT ORDINANCE, 2017

No. 2 of 2017

Promulgated by the President in the Sixty-eighth Year of the Republic of India.


WHEREAS the goods and services tax is to be introduced in the country with effect from 1st July, 2017;

AND WHEREAS entertainment tax and entertainment duty have been levied by the Central Government in the Union territory of Chandigarh under the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994;

AND WHEREAS by the Constitution (One Hundred and First Amendment) Act, 2016, entry 62 of List-II-State List of the Seventh Schedule to the Constitution has been amended to levy taxes on entertainments and amusements to the extent levied and collected by a Panchayat or Municipality or a Regional Council or a District Council;

AND WHEREAS the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994, is required to be suitably amended to empower the Municipal Corporation of Chandigarh to levy and collect taxes on entertainments and amusements in light of the said amendments;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;
NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. (1) This Ordinance may be called the Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance, 2017.

(2) It shall come into force at once.

2. In the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994, in section 90,—

   (i) In sub-section (1),—

      (a) In clause (e), the word “and” occurring at the end, shall be omitted;

      (b) After clause (f), the following clauses shall be inserted, namely:—

      “(g) a tax under the Punjab Entertainment Tax (Cinematograph shows) Act, 1954, as applicable to the Union territory of Chandigarh to be collected from the proprietor of the premises where a public cinematograph exhibition is held within the local area of the city; and

      (h) a tax under the Punjab Entertainments Duty Act, 1955, as applicable to the Union territory of Chandigarh to be collected from every person admitted to an entertainment within the local area of the city.”;

   (ii) in sub-section (6), clauses (d) and (e) shall be omitted.

PRANAB MUKHERJEE,

President.

DR. G. NARAYANA RAJU,

Secretary to the Govt. of India.
THE CENTRAL GOODS AND SERVICES TAX (EXTENSION TO JAMMU AND KASHMIR) ORDINANCE, 2017

No. 3 of 2017

Promulgated by the President in the Sixty-eighth Year of the Republic of India.


WHEREAS the Central Goods and Services Tax has been introduced in the whole of India except the State of Jammu and Kashmir with effect from the 22nd day of June, 2017;

AND WHEREAS the Legislative Assembly of the State of Jammu and Kashmir has passed the resolution adopting the provisions of the Constitution (One Hundred and First Amendment) Act, 2016;

AND WHEREAS the Constitution (Application to Jammu and Kashmir) Amendment Order, 2017 has been issued by the President extending the provisions of the Constitution (One Hundred and First Amendment) Act, 2016 to the State of Jammu and Kashmir;
AND WHEREAS the State of Jammu and Kashmir has proposed to implement the goods and services tax in the said State with effect from the 8th day of July, 2017;

AND WHEREAS the provisions of the Central Goods and Services Tax Act, 2017 are required to be extended to the State of Jammu and Kashmir;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:

1. (1) This Ordinance may be called the Central Goods and Services Tax (Extension to Jammu and Kashmir) Ordinance, 2017.

(2) It shall come into force at once.

2. (1) The Central Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act) and all rules, notifications and orders made thereunder by the Central Government are hereby extended to, and shall be in force in, the State of Jammu and Kashmir.

(2) With effect from the date of commencement of this Ordinance, in the principal Act,—

(a) in section 1, in sub-section (2), the words “except the State of Jammu and Kashmir” shall be omitted;

(b) in section 22, in the Explanation, in clause (iii), after the word “Constitution” the words “except the State of Jammu and Kashmir” shall be inserted;

(c) in section 109, in sub-section (6),—

(i) after the words “each State or Union territory”, the words “except for the State of Jammu and Kashmir” shall be inserted;

(ii) in the first proviso, for the words “Provided that”, the following shall be substituted, namely:—

“Provided that for the State of Jammu and Kashmir, the State Bench of the Goods and Services Tax Appellate Tribunal constituted under this Act shall be the State Appellate Tribunal constituted under the Jammu and
Kashmir Goods and Services Tax Act, 2017:

Provided further that“;

(iii) in the second proviso, for the words “Provided further that”, the words “Provided also that” shall be substituted.

PRANAB MUKHERJEE,
President.

DR. G. NARAYANA RAJU,
Secretary to the Govt. of India.
MINISTRY OF LAW AND JUSTICE  
(Legislative Department)  

New Delhi, the 8th July, 2017/Ashadha 17, 1939 (Saka)  

THE INTEGRATED GOODS AND SERVICES TAX  
(EXTENSION TO JAMMU AND KASHMIR)  
ORDINANCE, 2017  

No. 4 of 2017  

Promulgated by the President in the Sixty-eighth Year of the Republic of India.  


WHEREAS the Integrated Goods and Services Tax has been introduced in the whole of India except the State of Jammu and Kashmir with effect from the 22nd day of June, 2017;  

AND WHEREAS the Legislative Assembly of the State of Jammu and Kashmir has passed the resolution adopting the provisions of the Constitution (One Hundred and First Amendment) Act, 2016;  

AND WHEREAS Constitution (Application to Jammu and Kashmir) Amendment Order, 2017 has been issued by the President extending the provisions of the Constitution (One Hundred and First Amendment) Act, 2016 to the State of Jammu and Kashmir;
AND WHEREAS the State of Jammu and Kashmir has proposed to implement the integrated goods and services tax in the said State with effect from the 8th day of July, 2017;

AND WHEREAS the provisions of the Integrated Goods and Services Tax Act, 2017 are required to be extended to the State of Jammu and Kashmir;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. (1) This Ordinance may be called the Integrated Goods and Services Tax (Extension to Jammu and Kashmir) Ordinance, 2017.

(2) It shall come into force at once.

2. (1) The Integrated Goods and Services Tax Act, 2017 of 2017 (hereinafter referred to as the principal Act) and all rules, notifications, schemes and orders made thereunder by the Central Government are hereby extended to, and shall be in force in, the State of Jammu and Kashmir.

(2) With effect from the date of commencement of this Ordinance, in the principal Act, in section 1, in sub-section (2), the words “except the State of Jammu and Kashmir” shall be omitted.

PRANAB MUKHERJEE.
President.

DR. G. NARAYANA RAJU,
Secretary to the Govt. of India.
THE GOODS AND SERVICES TAX (COMPENSATION TO STATES) AMENDMENT ORDINANCE, 2017

No. 5 OF 2017

Promulgated by the President in the Sixty-eighth Year of the Republic of India.

An Ordinance to amend the Goods and Services Tax (Compensation to States) Act, 2017.

WHEREAS Parliament is not in session and the President is satisfied that the circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:

1. (1) This Ordinance may be called the Goods and Services Tax (Compensation to States) Amendment Ordinance, 2017.

(2) It shall come into force at once.
2. (i) In the Goods and Services Tax (Compensation to States) Act, 2017, in the Schedule,—

(i) after serial number 4 and the entries relating thereto, the following serial number shall be inserted, namely:—

(1) (2) (3) (4)

"4A Motor vehicles for the transport of not more than thirteen persons, including the driver. 8702 20, 8702 30 or 8702 90 per cent. ad valorem.”;

(ii) against serial number 5, for the entry in column (4), the entry “Twenty-five per cent. ad valorem” shall be substituted.

RAM NATH KOVIND,
President.

DR. G. NARAYANA RAJU,
Secretary to the Govt. of India.
THE INDIAN FOREST (AMENDMENT) ORDINANCE, 2017

No.6 of 2017

Promulgated by the President in the Sixty-eighth Year of the Republic of India.

An Ordinance further to amend the Indian Forest Act, 1927.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. (1) This Ordinance may be called the Indian Forest (Amendment) Ordinance, 2017.

(2) It shall come into force at once.
2. In the Indian Forest Act, 1927, in section 2, in clause (7), the word "bamboos" shall be omitted.

RAM NATH KOVIND,
President.

DR. G.NARAYANA RAJU,
Secretary to the Govt. of India.
THE INSOLVENCY AND BANKRUPTCY CODE
(AMENDMENT) ORDINANCE, 2017
No.7 of 2017

Promulgated by the President in the Sixty-eighth Year of the Republic of India.

An Ordinance to amend the Insolvency and Bankruptcy Code, 2016.

WHEREAS the Insolvency and Bankruptcy Code, 2016 (the Code), inter alia, provides a framework for insolvency resolution of corporate persons in a time bound manner for maximisation of value of assets of such persons;

AND WHEREAS the provisions relating to corporate insolvency resolution process of the Code have come into force on 1st day of December, 2016;

AND WHEREAS in order to strengthen further the insolvency resolution process, it has been considered necessary to provide for prohibition of certain persons from submitting a resolution plan who, on account of their antecedents, may adversely impact the credibility of the processes under the Code;

AND WHEREAS it is also considered necessary to make provisions to specify certain additional requirements for submission and consideration of the resolution plan before its approval by the committee of creditors;
AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:

1. (1) This Ordinance may be called the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2017.

(2) It shall come into force at once.

Amendment of section 2.

2. In the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the principal Act), in section 2,—

(i) in clause (d), the word “and” shall be omitted;

(ii) for clause (e), the following clauses shall be substituted, namely:

“(e) personal guarantors to corporate debtors;

(f) partnership firms and proprietorship firms; and

(g) individuals, other than persons referred to in clause (e),”.

Amendment of section 5.

3. In section 5 of the principal Act,—

(a) for clause (25), the following clause shall be substituted, namely:

“(25) “resolution applicant” means a person, who individually or jointly with any other person, submits a resolution plan to the resolution professional pursuant to the invitation made under clause (h) of sub-section (2) of section 25;”;

(b) in clause (26), for the words “any person”, the words “resolution applicant” shall be substituted.

Amendment of section 25.

4. In section 25 of the principal Act, in sub-section (2), for clause (h), the following clause shall be substituted, namely:

“(h) invite prospective resolution applicants, who fulfil such criteria as may be laid down by him with the approval of committee of creditors, having regard to the complexity and scale of operations of the business of the corporate debtor and such other conditions as may be specified by the Board, to submit a resolution plan or plans.”.

5. After section 29 of the principal Act, the following section shall be inserted, namely:

“29A. A person shall not be eligible to submit a resolution plan, if such person, or any other person acting jointly with such person, or any person who is a promoter or in the management or control of such person,—
(a) is an undischarged insolvent;

(b) has been identified as a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949;

(c) whose account is classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 and period of one year or more has lapsed from the date of such classification and who has failed to make the payment of all overdue amounts with interest thereon and charges relating to non-performing asset before submission of the resolution plan;

(d) has been convicted for any offence punishable with imprisonment for two years or more; or

(e) has been disqualified to act as a director under the Companies Act, 2013;

(f) has been prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;

(g) has indulged in preferential transaction or undervalued transaction or fraudulent transaction in respect of which an order has been made by the Adjudicating Authority under this Code;

(h) has executed an enforceable guarantee in favour of a creditor, in respect of a corporate debtor under insolvency resolution process or liquidation under this Code;

(i) where any connected person in respect of such person meets any of the criteria specified in clauses (a) to (h).

Explanation.— For the purposes of this clause, the expression “connected person” means—

(i) any person who is promoter or in the management or control of the resolution applicant; or

(ii) any person who shall be the promoter or in management or control of the business of the corporate debtor during the implementation of the resolution plan; or

(iii) the holding company, subsidiary company, associate company or related party of a person referred to in clauses (i) and (ii)

(j) has been subject to any disability, corresponding to clauses (a) to (i), under any law in a jurisdiction outside India.”.

6. In section 30 of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely:—
“(4) The committee of creditors may approve a resolution plan by a vote of not less than seventy-five per cent. of voting share of the financial creditors, after considering its feasibility and viability, and such other requirements as may be specified by the Board:

Provided that the committee of creditors shall not approve a resolution plan, submitted before the commencement of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2017, where the resolution applicant is ineligible under section 29A and may, where no other resolution plan is available with it, require the resolution professional to invite a fresh resolution plan.”

7. In section 35 of the principal Act, in sub-section (1), in clause (f), the following proviso shall be inserted, namely:—

“Provided that the liquidator shall not sell the immovable and movable property or actionable claims of the corporate debtor in liquidation to any person who is not eligible to be a resolution applicant.”

8. After section 235 of the principal Act, the following section shall be inserted, namely:—

“235A. If any person contravenes any of the provisions of this Code or the rules or regulations made thereunder for which no penalty or punishment is provided in this Code, such person shall be punishable with fine which shall not be less than one lakh rupees but which may extend to two crore rupees.”

9. In section 240 of the principal Act, in sub-section (2),—

(i) after clause (s), the following clause shall be inserted, namely:—

“(sa) other conditions under clause (h) of sub-section (2) of section 25;”,

(ii) after clause (w), the following clause shall be inserted, namely:—

“(wa) other requirements under sub-section (4) of section 30;”.

RAM NATH KOVIND,
President.

DR. G. NARAYANA RAJU,
Secretary to the Govt. of India.