FINANCE BULLETIN

Knowledge multiplies through sharing

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EDITORIAL

Dear friends,

Launch of www.MyGov.gov.in by CG facilitating citizens participation in Governance of the country, licensing of payment banks and small banks as a part of efforts by CG for inclusive growth to extendi banking facilities to all rural areas, increase in the limit of remittance by Resident individual to US$ 125000 per year and clarifications by MCA indicating the maintenance of companies records in electronic form made optional are some of the major welcome decisions covered in this issue of the Bulletin.

Constitution of Committee under the Chairmanship of Sri.R.S.Sharma former CMG ONGC for reviewing the applicability of Cost Accounting & Cost Audit Rules 2014 announced is a positive decision by government. Election of CAG of India to the UN Audit team indicates the importance given to Indian Audit System by the members of this world body is really appreciable.

Professionals to note that the increase in the wage ceiling for PF coverage to Rs 15000, updating the data of PAN, email & Mobile numbers of assesses on the IT site, mandatory provision for e-voting facility by listed companies wef 1.1.2015 and mandatory mention of DIN details on all documents signed by Directors etc., listed in this issue.

With regards

CMA R. Satyanarayana

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QUOTES FOR THE MONTH

1. A life spent making mistakes is not only more honorable, but more useful than a life spent doing nothing.
–George Bernard Shaw

2.A moment of truth is an opportunity to come through when the people around you don't expect you to. Thinks of ways to do this for colleagues and coworkers and the next time you ask one of these people for a favour, the answer will be enthusiastic yes! -Harry Paul

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(Abridged Version)

GENERAL

- **Senior Citizens' saving scheme 2004**: In case of a Joint account, or where spouse is the sole nominee, the spouse may continue the same terms and conditions and incase the spouse does not want to continue the joint account the account shall be closed on submission of Form –F vide RBI/2014-15/130 DGBA.CDD.No.293/15.01.001/2014-15 dated 17th July, 2014.
- **MyGov portal**: CG has opened a portal http://mygov.nic.in - A portal for Citizen Engagement towards governance launched for participation by the citizens for giving their suggestions etc.,

RSERVE BANK OF INDIA

- **Licensing of Payment Banks & Small Banks:** RBI released Draft Guidelines for Licensing of Payments Banks and Small Banks and sought suggestions/comments from the stakeholders by 28th Aug, 2014 The minimum paid up capital requirement of both payments banks and small banks is kept at Rs. 100 crore, of which the promoters' initial minimum contribution will be at least 40 per cent, to be locked in for a period of five years vide Press Release dated 17th July, 2014.
- **Remittance limit increased for Resident Individuals**: The Reserve Bank of India has issued a circular A.P.(DIR Series) No. 5 dated 17.07.2014 to liberalise the remittance scheme for the resident individuals from USD 75,000 to USD 1,25,000 per financial year. Accordingly, now the permission has been granted to remit up to USD 1, 25,000 per financial year and for further details refer to the circular.

ACCOUNTS & AUDIT

- **CAG of India for UN**: Shri Shashi Kanth Sharma CAG of India has assumed charge of member of UN Board of Auditors for a six years term ending June 2020 vide ET dated 25th July, 2014.
- **CAG Audit of Deemed Govt. Companies**: The Ministry of corporate affairs issued a circular no. 33/2014 dated 31.07.2014 giving clarification in respect of the appointment of auditors by Comptroller and Auditor General of India for the deemed Government Companies as previously contained in Section 619B of the Companies Act, 1956 i.e. companies where the ownership or control lies with two or more Government Companies or corporations in the manner as provided in section 619B of the CA 1956 for details refer to www.mca.gov.in

LABOUR

- **PF wage ceiling increased**: The finance ministry has approved the proposal of the Employees' Provident Fund Organisation's (EPFO) to raise the monthly wage ceiling to Rs 15,000 (as against the earlier cap of Rs 6,500 per month). Accordingly, an employee earning monthly wage ceiling up to Rs 15,000 will now be mandatorily required to contribute towards employee provident fund scheme and the employer will also have to make a matching contribution vide EPFO Coord/3(6)2011/Amendment Scheme/9235 dated 14th July, 2014.

INCOME T AX

- **E-filing of Wealth Tax Return**: CBDT has notified that it is mandatory for individuals, HUF and companies to file the Wealth Tax Return in new Form BB electronically using digital signature from AY 2014-15 onwards excepting for those who are not subject to

Tax Audit under ITA and such assesses can file paper Wealth Tax Return vide Notification No.32/2014 dated 26th April, 2014.

- **Update your data for e-filing of IT Returns**: IT Department vide Press Release dated 4th July, 2014 has indicated that a valid Email ID and Mobile Number has to be registered/ updated on the e-filing website of the Income Tax Department so that direct communication with taxpayer can be possible. Further it is also indicated that one mobile number or email ID can be used for 10 Income tax Accounts. For details, taxpayers can view the www.incometaxindiaefiling.gov.in

SEBI

- **E-voting mandatory for listed companies**: SEBI has clarified that all the listed companies would be required to provide e-voting facility to all shareholder and pass necessary resolution passed in general meeting inspite of MCA indicating that the e-voting was optional upto Dec 2014 and in such situations SEBI's circular dated 27th April, 2014 is applicable unless amended vide BL dated 24th June, 2014.

COMPANY LAW

- **CSR Provision assumes retrospective colour**: The MCA has clarified that the applicability of section 135(CSR provisions) would be retrospective. This made it mandatory for companies to see any of the three financial years for the purpose of 2014-15, as the applicability of the test for CSR provisions would be based on the corporate meeting the defined parameters in any of three preceding financial years vide BL dated 24th June, 2014.
- **Gift of shares by company not taxable**: Gifting of capital assets like shares by one group entity to another during restructuring is not taxable and hence TP regulations which are applicable only if a transaction is taxable in India are not applicable vide decision of the ITAT Chennai in the case of Radington India Ltd Vs JCIT (513/Mds/2014.
- **DIN must for signature by Directors**: Now, Director's name & DIN (Director Identification Number) has to be mentioned with their signature on all the documents to be signed in the capacity of director or else Penalty provisions under the Section 158 of the Companies Act or else they would face Penalty.
- **Maintaining company records in electronic form**: MCA issued amendments to Companies (Maintenance & Administration) Rules 2014 by which maintenance of companies registers and records in electronic form is maid optional vide amendment dated 24th July, 2014 for details refer to www.mca.gov.in

ISURANCE

- **Claims Guarantee launched by Reliance life**: Reliance Life has launched "Claims Guarantee" a service initiative to settle death claims payments in 12 working days or pay interest of 6.5% per annum to the nominee subject to receipt of all required death claim documents from the nominee or claimant and also full premium is paid by the policy holder for at least three policy years vide BL dated 25th June, 2014.
- **Crackdown on vehicles without insurance**: IRDA to crack down on vehicles plying without insurance and started a pilot project in Cyberabad (Telangana) and indicated that it would be a criminal offence to ply a vehicle without insurance under the Motor Vehicles Act vide BL dated 23rd July, 2014.

******THE END******