CORPORATE JOURNAL

"TO FACILITATE OVERALL PROFESSIONAL DEVELOPMENT WITH ENLIGHTENED INFORMATION"

"IT'S GOOD TO STAND AT ZENITH AND SEE SOMEONE AS YOUR AIM
BUT IT FEELS BEST WHEN YOU STAND THERE & SOMEONE SEES YOU AS THEIR AIM"

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Kindly send the articles and other relevant material for publication along with your photograph at ankursrivastavacs5985@gmail.com. We assure that we empower you with the knowledge you seek.

Since: January, 2013

============================ FROM THE EDITOR ============================

CS Ankur Srivastava
Editor

Dear Professional Colleagues & Friends,

Financial Year 2015-16 has been over. Results are under preparation and most of us are endeavoring to prepare the Annual Results and Annual Reports. The reporting in the Annual Reports have become much elaborated and dynamic. New CARO, 2016 has also been issued which will also change the Statutory Auditors Reporting w.e.f. this year.

Friends, we need to be very proactive in every sphere of our professional life whether it may be routine job, audit, certification, reporting, dealing with clients \ management or availing new opportunities as in this ever changing Corporate World survival depends on your value addition. You have to work on what value addition you can offer to your clients or your management.

We the professionals are living in the knowledge driven society and are expected to be informed, updated, active and professionally synchronized. There are ample opportunities in the Corporate World for us, just the need is to crack. We need to come out from our comfort zone and change our mind set to get major breakthroughs in new spheres. The establishment of NCLT and NCLAT are one of the major progress in this sphere.

This will not only synchronize the corporate matters but will also throw number of opportunities to the Professionals. The need is to understand the paradigm of change, update, adapt and equip ourself to perform the desired role and remain competitive for the professional services.

All the Best and keep contributing towards the betterment of our profession.

Happy Reading.

CS Ankur Srivastava
Editor

================================= ARTICLE ===================================

NATIONAL COMPANY LAW TRIBUNAL
(A SINGLE WINDOW INSTITUTION FOR CORPORATE JUSTICE)

CS Shruti Srivastava

INTRODUCTION

There is visible trend around the world towards rationalization of business processes and simplification of Legislations governing them. This trend is being driven partly by the use of electronic communication and information technology that has speeded up business transactions as well as making them international.

Time is, therefore, ripe to ensure that dispensation of justice and disposal of business matters by the court and authorities should be in tune with the speed with which business is being transacted. Further certain business matters require specialized domain knowledge for dealing with the matters justifiably. Keeping in view the pendency of legal matters and need for specialized knowledge of the persons discharging the responsibility of adjudicating the matters involving intricate issues relating to the subjects, the process of setting up of specialized tribunals has gained acceptability over a period of time.

Here, it is important to point out that though the theory of alternative institutional mechanisms was propounded in respect of the Administrative Tribunals, the concept itself - that of creating alternative modes of dispute resolution which would relieve High Courts of their burden while simultaneously providing specialized justice.

<u>Existing Corporate Litigation Structure:</u>

Particulars	High Court	CLB	BIFR
Powers	- Winding-up - Amalgamation - Demerger - Reduction of Share Capital - Appeals against CLB order	- Oppression & mismanagement - Rectification of Register of Members - Compounding To Call AGM & EOGM - Removal of Auditor & Ditrectors	BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985

The issue of having a specialized Tax Court had been discussed for several decades. After much hue and cry Part XIVA of the Constitution was inserted by Constitution (42nd Amendment) Act, 1976 containing Articles 323 A and 323 B, providing for Administrative Tribunal and Tribunals for other matters, respectively.

In pursuance of the power conferred upon it by clause (1) of Article 323A of the Constitution, Parliament enacted the Administrative Tribunals Act, 1985. The Statement of Objects and Reasons of the Act indicates that it was in the express terms of Article 323A of the Constitution and is being enacted because a large number of cases relating to service matters were pending before various Courts; it is expected that the setting up of such Administrative Tribunals to deal exclusively with service matters would go a long way in not only reducing the burden of the various courts and thereby giving them more time to deal with other cases expeditiously but would also provide to the persons covered by the Administrative Tribunals speedy relief in respect of their grievances.

The constitutional provision, therefore, invests Parliament or the State Legislatures with powers to divest the traditional courts of a considerable portion of their judicial work.

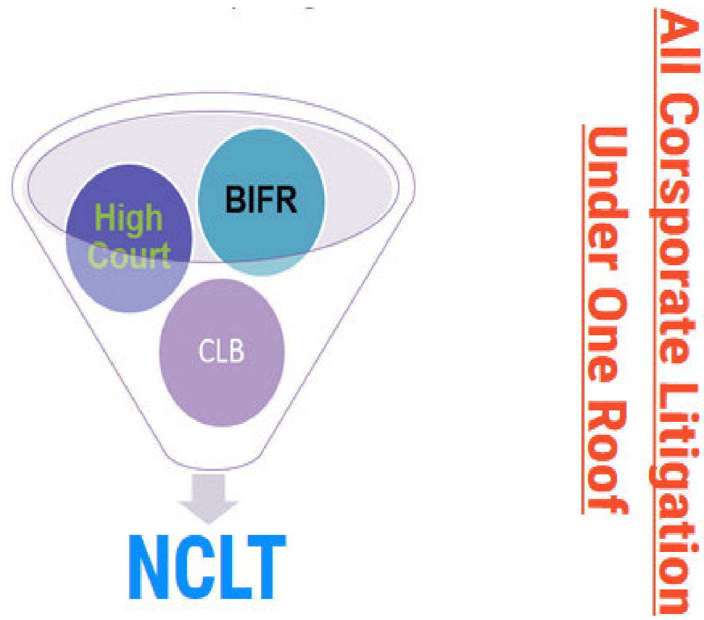
A number of quasi- judicial forums and tribunals have been established by the Government like Debt Recovery Tribunal, Securities Appellate Tribunal, CESTAT, etc. with a view to provide a speedier and specialized forum for dispensation of justice and disposal of various matters.

Establishment of National Company Law Tribunal

A constitution bench of the Supreme Court of India in its recent judgment in Madras Bar Association vs. Union of India and Another1 has paved the way for the establishment of the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT) under the provisions of the Companies Act, 2013. The NCLT and the NCLAT will act as a comprehensive and overarching quasi-judicial body which will adjudicate all disputes relating to companies in India.

Existing tribunals and authorities, such as the Company Law Board, the Board of Industrial and Financial Reconstruction, the Appellate Authority for Industrial and Financial Reconstruction and the Company Courts in the jurisdictional High Courts which deal with various issues relating to companies will be done away with, and will be subsumed in the NCLT and the NCLAT once these are established and functioning. Matters currently pending before these for a too would be transferred to the NCLT and the NCLAT (as applicable).

The demand for the establishment of NCLT which will take over the Company Law Board (CLB) matter was earlier made in Companies (Amendment) Act, 2002. Thereafter, after much deliberations and long gap the Companies Act, 2013 has formalized this issue with the establishment of Specialized Tribunals under Section 408 and 410 namely National Company Law Tribunal (NCLT) National Company Law Appellate Tribunal (NCLAT), respectively.



The Creation of a single forum (NCLT) which is dedicated to solely the Corporate Matters is a welcome move, and will remove the problem of multiple regulators.

The Principal Bench of the Tribunal shall be at New Delhi which shall be presided over by the President of the Tribunal and such number of benches shall be constituted as the Central Government may specified.

After the constitution of the NCLT and NCLAT the corporate matters shall follow the below flow chart. All the corporate matters will be dealt by the NCLT and any person aggrieved with the decision of the NCLT may prefer an appeal with the NCLAT and Appeal to the Supreme Court is available against the orders of the NCLAT only on the question of the Law.

Legal Representation:

A party to any proceeding or appeal before the Tribunal or the Appellate Tribunal, as the case may be, may either appear in person or authorize one or more CA or CS or CWA or legal practitioners or any other person to present his case before the Tribunal or Appellate Tribunal, as the case may be.

This has opened up a dedicated and massive scope for the Company Secretary as this is the domain of the Company Secretary profession and earlier we have to obtain the services of the legal practitioners to appear before the High Court.

Powers of NCLT:

The NCLT has been empowered to exercise the following powers:

1. Most of the powers of the Company Law Board under the Companies Act, 1956.
2. All the powers of BIFR for revival and rehabilitation of sick industrial companies;
3. Power of High Court in the matters of mergers, demergers, amalgamations, winding up, etc.;
4. Power to order repayment of deposits accepted by Non-Banking Financial Companies as provided in section 45QA of the Reserve Bank of India Act, 1934;
5. Power to wind up companies;
6. Power to Review its own orders.

The NCLT shall have powers and jurisdiction of the Board for Industrial and Financial Reconstruction (BIFR), the Appellate Authority for Industrial and Financial Reconstruction (AAIFR), Company Law Board, High Courts relating to compromises, arrangements, mergers, amalgamations and reconstruction of companies, winding up etc. Thus, multiplicity of litigation before various courts or quasi-judicial bodies or forums have been sought to be avoided.

Scope of Services for Practicing Company Secretaries under NCLT:

The establishment of NCLT/NCLAT shall offer various opportunities to Practicing Company Secretaries as they have been authorized to appear before the Tribunal/ Appellate Tribunal. Therefore, Practicing Company Secretaries would for the first time be eligible to appear for matters which were hitherto dealt with by the High Court viz.
mergers, amalgamations under Section 391-394 and winding up proceedings under the Companies Act, 1956.

With the establishment of NCLT, a whole new area of practice will open up for Company Secretary in Practice with respect to advising and assisting corporate sector on:

Merger and Amalgamation

Merger, amalgamation, demerger, reverse merger, compromise and other arrangements right from the conceptual to implementation level. Company Secretaries in practice will be able to render services in preparing schemes, appearing before NCLT/NCLAT for approval of schemes and post merger formalities.

Sick Companies

(a) Timely detection of sick company
(b) Making a reference of sick industrial company to NCLT

Winding up

The National Company Law Tribunal has also been empowered to pass an order for winding up of a company. Therefore Practising Company Secretaries may represent the winding up case before the Tribunal. Unlike the earlier position allowing only government officers to act as Official Liquidators, now professionals like Practicing
Company Secretaries have been permitted to act as Liquidator in case of winding up by the Tribunal.

Reduction of Capital

As per amended section 100 of the Companies Act, subject to confirmation by the Tribunal, a company limited by shares or a company limited by guarantee and having a share capital may if so authorized by its articles by special resolution reduce its share capital. The Practicing Company Secretaries will be able to represent cases of reduction of capital before the Tribunal.

PCS as Member of NCLT

A Practising Company Secretary can be appointed as a Technical Member of NCLT, provided he has 15 years working experience as secretary in whole-time practice.

Appearance before National Company Law Appellate Tribunal

As stated earlier a Practicing Company Secretary has been authorized to appear before National Company Law Appellate Tribunal.

CONCLUSION

In view of vast opportunities emerging with the establishment of National Company Law Tribunal, the Practicing Company Secretaries should standardize their competencies with the global benchmarks to provide value added services in assisting the Tribunal in dispensation of justice and speedier disposal of matters like merger, amalgamation, Restructuring, revival and rehabilitation of sick companies and winding up of companies.

With Kind Regards:
Shruti Agarwal & Associates
Practicing Company Secretary
E-mail: csshrutisrivastava@gmail.com

PROVISIONS RELATING TO MD/ WTD AS PER COMPANIES ACT, 2013

APPLICABLE PROVISIONS- MANAGERIAL PERSONNEL:

CS Divesh Goyal

SECTIONS INVOLVED:

Section 152(2): Save as otherwise expressly provided in this Act, **Every Director** shall be appointed by the company in general meeting.

Section 170(2) A return containing such particulars and documents as may be prescribed, of the directors and the key managerial personnel shall be filed with the Registrar within thirty days from the appointment of every director and key managerial personnel, as the case may be, and within 30 days of any change taking place.

Section 117(3)(c) A copy of resolution of the Board of Directors of a company or agreement executed by a company, relating to the appointment, re-appointment or renewal of the appointment, or variation of the terms of appointment, of a **Managing Director** shall be filed with the Registrar within thirty days of the passing or making thereof.

Section 161(1): The articles of a company may confer on its Board of Directors the power to appoint any person, other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier

Section 196: No company shall appoint or re-appoint any person as its managing director, whole-time director or manager for a term exceeding five years at a time

Section 197: Overall Maximum Remuneration and Managerial Remuneration.

EARLIER WAS SECTION 197A, 267, 311, 317, 384, 385, 388 OF THE COMPANIES ACT, 1956

- **RULES INVOLVED:**

Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Rules 17 of the Companies (Appointment and Qualification of Directors) Rules, 2014- Register of directors and key managerial personnel

Rule 18 of the Companies (Appointment and Qualification of Directors) Rules, 2014- Return containing the particulars of directors and the key managerial personnel

Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014- Consent to act as director.

- **CIRCULARS INVOLVED:**

Notification No. G.S.R. 464(E) dated 5th June 2015

- **FORMS INVOLVED:**

DIR- 12 - Particulars of appointment of Directors and the key managerial personnel and the changes among them.

MR-1 - Return of appointment of MD/WTD/Manager.

MGT– 14 - Filing of Resolutions and agreements to the Registrar

DIR- 11 – Filing of resignation with ROC by the Director.

- NON APPLICABILITY:

Government Company: As per NOTIFICATION NO. GSR 463(E)[F.NO.1/2/2014-CL-V], DATED 5-6-2015 :

Section 196 Sub Section 2, 4 & 5 Not applicable on Government Company.

Section 197 not applicable on Government Company.

Private Company: As per NOTIFICATION NO. GSR 464(E) [F.NO.1/1/2014-CL-V], DATED 5-6-2015

Section 196 Sub Section 4 & 5 Not applicable on Private Company.

Section 197 not applicable on Private Company (Literal Interpretation).

- **DEFINITION:**

Managing Director: - As per Section 2 clause 54 of Companies Act, 2013

A director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

MD means a ***Director***. As a MD or WTD must also be a director, the Board can appoint to the office of MD/WTD only a person who is already a director.

Situation: If, for any reason such as the need of possessing professional or technical qualification, an outsider has to be appointed, the course to be followed is first to get him appointed as director either by the Board itself as an additional director under section 161 or by the Company in general meeting u/s 152 for such period as the company may determine.

Manager:- As per Section 2 clause 53 of Companies Act, 2013

An individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a company, and includes a director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not.

Whole-Time Director: - As per Section 2 clause 54 of Companies Act, 2013
A director in the whole-time employment of the company. In other words, a director employed to devote the whole of his time and attention in the carrying on of the affairs of the Company.

Whether a WTD can be director in other Companies:
That is to say he cannot also be an employee of another Company or elsewhere, or be engaged in any other business pursuit, though he may be an ordinary director of one or more other Companies also.

Executive Director: - Companies (Specification of definitions details) Rules, 2014, 2(K) Executive Director means a Whole Time Director as defined in clause (94) of section 2 of the Act.

PURPOSE OF FILING OF FORMS:

MGT-14: This form required to file within 30 days of passing of resolution and required to file for below mentioned purposes for **All The Companies** including Private Limited Company {Section 117(3)(c)}.

- Appointment of Managing Director
- Re-appointment of Managing Director
- Renewal of Appointment of Managing Director
- Variation of the Term of Appointment of Managing Director

MR-1: This form is required to be filed within 60 days of appointment of Managerial Personnel and required to file for the Company **OTHER THAN** Private Company and Government Company.

DIR-12:- This form is required to be filed within 30 days of passing of resolution and required to file for the company **OTHER THAN** Government Company in which the entire paid up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments

- **RESOLUTION REQUIREMENT:**

For appointment or reappointment of Managerial Personnel (MD/WTD/Manager) following resolution required to be filed in case of;

PRIVATE COMPANY:

- In case of appointment of MD/WTD/Manager Private Company required passing **Board Resolution.**
- Board resolution can be passed by **Circular Resolution** or in the Meeting of Board of Directors.

PUBLIC COMPANY:

- **Passing of Board Resolution** required passing subject to approval of Shareholders in Next General Meeting.
- **Passing of Ordinary Resolution** required passing in subsequent General Meeting.
- Board resolution ***CAN NOT*** be pass by **Circular Resolution.**

Note: Approval of Central Government in case such appointment is at variance to the conditions specified in that Schedule.

- **MATTER COVERED IN RESOLUTION OF APPOINTMENT:**

  - Terms and conditions of appointment
  - Remuneration

- **MATTER COVERED IN NOTICE OF APPOINTMENT:** Notice of Board Meeting and General Meeting shall includes;
  - Terms and conditions of appointment
  - Proposed Remuneration
  - Interest of Director & Directors in such appointment if any.

================================ ARTICLE ================================

TENURE OF MANAGERIAL PERSONNEL:

Maximum tenure for appointment of Managing Director, Whole Time Director or Manager is 5 (Five) Year at a time. {Section 196(2)}.

Re-appointment:

The company may re-appointment them for next term ***but not earlier than one year before expiry of the current term****. T*his means, company may re-appoint them for next term in last one year of current term. *Section 196(2) proviso*

AGE FOR APPOINTMENT OF MD/WTD/Manager:

MINIMUM AGE: Minimum age for appointment as MD/ WTD/ Manager is 21 (Twenty) of year. There is an absolute prohibition on appointment of a person below the age of 21 year.
MAXIMUM AGE: Maximum age for appointment as MD/ WTD/ Manager is 70 (Seventy) of year. But subject to approval of Shareholders in General Meeting a person can be appoint as MD/WTD/Manager even after obtaining age of 70 years.

CESSATION OF CONTINUATION OF APPOINTMENT OF MD/WTD/MANAGER:

A person can't continue as MD/WTD/Manager who-

- Is below the age of 21 year or has attained the age of 70 years
- is an undischarged insolvent or has at any time been adjudged as an insolvent
- has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or
- has at any time been convicted by a court of an offence and sentenced for a period of more than six months

INFORMATION REQUIRED TO BE PROVIDE BY PERSON TO BE APPOINTED:

Documents Required to be Provide:

- A declaration that he is not disqualified to become a director under this Act, 2013 (DIR-8)
- Consent on or before appointment (DIR-2)
- Self attested copy of Residential Proof
- Self attested copy of PAN

Information Required to be Provide:

Every director is required to disclose the following details to Company:

i. Director Identification Number (optional for key managerial personnel);

ii. present name and surname in full;

iii. any former name or surname in full;

iv. father's name, mother's name and spouse's name(if married) and surnames in full;

v. date of birth;

vi. residential address (present as well as permanent);

vii. nationality (including the nationality of origin, if different);

viii. occupation;

ix. office of director or key managerial personnel held or relinquished in any other body corporate;

x. The details of securities held by them in the company, its holding company, subsidiaries, subsidiaries of the company's holding company and associate companies relating to-

- the number, description and nominal value of securities;
- the date of acquisition and the price or other consideration paid;
- date of disposal and price and other consideration received;
- cumulative balance and number of securities held after each transaction;
- mode of acquisition of securities ;
- mode of holding – physical or in dematerialized form; and
- whether securities have been pledged or any encumbrance has been created on the securities.

Disclosure of Interest of Directors (Section-184(1))

Appointment: Every Director shall disclose his interest in any company or body corporate, firms, or other association of individuals at the first Board Meeting in which he participates as director and thereafter at the first Board Meeting in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change.

The details shall include:

- Name of company or companies or bodies corporate, firms or other association of individuals,
- Nature of interest
- Whether interest is held directly or through relatives
- Shareholding , if any
- Date of acquisition

Relinquishment: Every director or key managerial personnel shall, within a period of 30 days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in the other associations which are required to be included in the register under that sub-section or such other information relating to himself as may be prescribed

NOTES:

A.	196(1)	There can be only Managing Director or Manager. Both positions can't be filed at same time.
B.	196(3)(d)	A person can't be appointed as Managerial Personnel if he is convicted by a court of an offence and sentenced for a period of more **than 6 (Six) month.** This phrasing includes conviction of all kinds of offences
C.	196(4)	Remuneration should be approved by Board of Director subject to approval of Shareholders in General meeting in case of public Company.
D.		Remuneration should be approved by Board of Director in Private Limited company.
E.	Schedule-V/ Part-I	No person shall be eligible for appointment as a MD or WTD or Manager of company unless he "[1] *IS RESIDENT IN INDIA*"
F.		A person attained age 70 can be appoint as Managerial personnel subject to approval of shareholders by passing of Special Resolution.

[1] Resident of India Include a person who has been staying in India for a continuous period of less than 12 immediately preceding the date of his appointment as a Managerial Person and who has come to stay in India,-

- For taking up employment in India; or
- For carrying on a business or vacation in India.

================================ ARTICLE =================================

I.	**Whether a person can be appointed as Managing Director in more than one Company.**
	As per 203(3) third proviso, Yes a person can be appoint as MD even he is already MD/Manager in one other Company and not more than one subject to condition.
II.	What is the provision to appoint a person as MD in second Company?
	Such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.
III.	What is the time period for appointment of MD/WTD/Manager If the office of any whole-time key managerial personnel is vacated.
	The resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy
IV.	Whether casual vacancy of appointment MD/WTD/Manager can be filed by passing of Circular Resolution.
	No, Casual Vacancy can't be filed by Circular Resolution. It can be filed only in the Meeting of Board of Directors. Section 203(4)
V.	Whether MD/WTD/Manager can appoint as Director in any other Company.
	Yes, MD/WTD/Manager can appoint as director in other company with the permission of the Board of another Company.
VI.	Whether a Non-Resident can appoint as Managerial Personnel?
	As per Schedule-V a Managerial personnel should be resident in India.
VII.	Whether Schedule V applicable on Private Limited Companies.
	Schedule V ***NOT*** applicable on Private Limited Company w.e.f. 05.06.2015 because of Exemption notification on Private Limited Company.
VIII.	Whether there is any restriction on payment of Remuneration to Managerial Personnel in case of private limited Company?
	In case of private limited Company Section 197 not applicable, therefore there is no restriction on remuneration to Managerial Personnel.

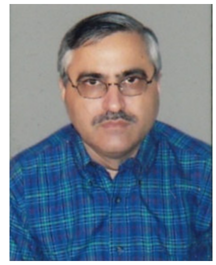
With Warm Regards,
CS Divesh Goyal
Practicing Company Secretary
Email: csdiveshgoyal@gmail.com

========================== FOREX HEDGING GUIDE==========================

Hello Dear Friends,

Greetings of the Day..!

It is my pleasure to share with you all, my weekly USD/INR hedging guide aimed at providing guidance to Importers and Exporters to hedge their forex exposure.



CMA D.S. Kapoor

Last week, we were of the view that currency may move a bit higher in short term towards 66.97 / 67.09. It was also indicated that it would be very difficult for currency to cross these levels and there are possibilities that the intermediate trend may finish possibly somewhere around these levels and next round of Rupee appreciation may start.

During last week, Open / High / Low / Close have been **66.6504 / 66.8425 / 66.2800 / 66.4148** (earlier week's closing **66.6503**). After opening at 66.6504 on 25th, the currency went up to 66.8425 on 26th (last week's high 66.7205) and then started correcting and after going down to 66.2800 (last week's low 66.0845), it finally closed at **66.4148**, being below the level of last week's close. Thus, the movements have been in line with our expectations.

Now, the present status: The moving averages position is presently as under**:**

21DMA	66.42	**3 WMA**	66.57	**3 MMA**	66.95	**3 QMA**	66.28
30DMA	66.48	**5 WMA**	66.52	**5 MMA**	66.98	**5 QMA**	65.59
50DMA	66.90	**21WMA**	67.06	**21MMA**	64.21	**21QMA**	58.77
200DMA	66.35	**30WMA**	66.66	**30MMA**	63.24	**30QMA**	55.05

- Currency has closed below few of the short / medium term above-mentioned moving averages (including 50DMA), however is still above other medium / long term moving averages (including 200DMA). It is also running below 65DMA (67.17) / 120DMA (66.98) / 10WMA (66.83), however is still above 50WMA (65.83). 3WMA is running above 5WMA since 2 weeks (after 6 weeks of downtrend), however currency has closed below these averages. 3MMA has closed below 5MMA.
- Currency is running below 8WMA (66.58) / 10WMA (66.83) / 13WMA (67.13); these averages are in negative phase.
- 21DMA (66.42) is running below 30DMA (66.48) since last 8 weeks (after 7 weeks of uptrend), but the negative difference between the two is reducing indicating possibility of Rupee depreciation. 21WMA is running above 30WMA; however the difference between the two is coming down and presently is at 0.40 (last week 0.44); till 21WMA runs above 30WMA, Dollar may be expected to remain bullish or bounce back from lower levels.
- **Current difference between 50DMA and 200DMA has gone down to 0.55 (last week 0.81; end Jan'15 1.47). This point towards rupee appreciation in medium to long term.**
- The currency has been taking support at 8QMA (presently at 64.40) continuously since start 2012. Besides, 8QMA is running above 10QMA (63.52) / 13QMA (63.01). **Long term trend reversal would only be there, once currency decisively moves below 8QMA.** Further, in case 8QMA goes below 10QMA, it would also be an indication of long term Rupee appreciation.
- **MACD** – the status is as under:

  Daily Chart – running below zero line, but is above its average;

  Weekly Chart – running above zero line, but is below its average;

Monthly Chart – running above zero line, but is marginally below its average;

Quarterly Chart – running above zero line and above its average as well.

Signal indicates indecisiveness in Rupee in short term, but consolidation in medium term with Rupee appreciating bias.

- **Crossover Signal –** the status is as under:

  Daily Chart – running negative since 29th Feb'16, but is above zero line (**on the verge of going below zero line)**;

  Weekly Chart – running negative since 11th Mar'16, but is above zero line;

  Monthly Chart - has been running positive since Aug'11.

  Signal indicates possibility of Rupee appreciation in short to medium term.

- **RSI –** the status is as under:

  Daily Chart - moved down to 46.46 (last week 50.95), but is above average;

  Weekly Chart - moved down to 48.17 (last week 50.44), and is below average;

  Monthly Chart – moved down to 61.96 (last week 62.66), and is below average;

  Quarterly Chart - moved down to 73.18 (last week 73.50, but is above average.

  Signal indicates appreciation in Rupee in short to medium term.

- **Stochastic Oscillator -** It is running downward in quarterly chart indicating trend reversal i.e. bullish Rupee / weaker Dollar in medium to long term. In monthly chart, too, similar signals are there.

- **Dollar Index –** It remained within 95.1000 – 92.9750 range and finally closed at 93.0540 (last week 95.0800)(movements had been as per expectations)**.** The status is as under:

  Monthly crossover signal remains in up mode (above zero line since Feb'15), however **there are exhaustion signals;**

  Daily Crossover signal turned negative since 27th April'16, and is below zero line;

  Weekly Crossover signal running negative since week ending 5th Feb'16, but is above zero line;

  Daily RSI has moved down to 31.77 (last week 50.69), and is below average;

  Weekly RSI has moved down to 37.15 (last week 43.68), and is below average;

  Monthly RSI has moved down to 51.37 (last week 55.76), and is below average;

  Daily MACD is running below zero line, and is below average;

Weekly MACD is running below zero line, and is below average;

3WMA (94.27) is running below 5WMA (94.33) since last 7 weeks (after 2 weeks of uptrend).

We are of the view that downtrend in the index may continue, wherein likely support is expected around 92.50; however in case it is broken, index may also move towards 120QMA (91.12) / 120WMA (90.74).

Going forward, the following summarized facts may be observed:

a. Dollar Index is expected to remain weak in short to medium term;

b. 21DMA (66.42) is running below 30DMA (66.48) since last 8 weeks, however the negative difference between the two is reducing indicating possibility of Rupee depreciation.

c. 3MMA (66.95) has closed below 5MMA (66.98) last week;

d. **50DMA (66.90) is running below 65DMA (67.17) since 4 weeks, it has now gone below 120DMA (66.98) also last week (120DMA was last broken in Dec'13, when currency got appreciated to 58.25 in May'14);**

e. 50DMA (66.90) is running above 200DMA (66.35), however the difference between the two is continuously decreasing and has reached 0.55 and is much below the levels of Jan'15 (1.47);

f. 21WMA (67.06) is running above 30WMA (66.66), but the difference between the two has started moving down;

g. Weekly & Monthly MACD are running below average.

In view of above, we are of the view that, in view of reducing difference between 21DMA & 30DMA, there are still some chances of short term uptrend, wherein currency may move higher towards 66.90 (50DMA). However, on the contrary, in view of 50DMA having gone below 65DMA & 120DMA, there are chances of currency moving below towards the next support level of 50WMA (65.83) first. For clear trend to emerge, one should watch 200DMA (66.35), as once this is decisively breached on daily closing basis, currency should start moving lower. Major supports on the lower side should be around 66.35 (200DMA) / 65.83 (50WMA) / 65.09 (65WMA) / 64.40 (8QMA).

It may be noted that there are much chances that we may see lower levels (likely somewhere in between 66.00 - 64.50) somewhere in between May – July'16 and after that Rupee may start consolidating and once again, another phase of Rupee depreciation may start.

Importers should hedge medium term payables around current levels i.e. 66.50 – 66.35. Short term payables may be settled at market rates. Long term payables beyond May should be left and should be reviewed next week. Total hedging may be maintained around 40-45%. In case of decisive closing below 200DMA (66.35) on daily closing basis, hedging should be stopped and review may be made then on reaching around 65.83. Review of strategy should also be made in case of rates moving above 66.98.

Exporters should hedge medium & long term receivables on any uptick around 66.65 – 66.80 in instalments. Hedged position may be maintained at 75 – 80%.

Major Resistances : 66.65 / 66.90 / 67.10

Major Supports : 66.30 / 65.80 / 65.10

Note: All the above rates are from Meta Stock

Regards,

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================================= UPDATES =================================

Ministry of Corporate Affairs
Government of India

CIRCULARS/ NOTIFICATIONS ISSUED DURING THE PERIOD

Ref No.	Date	Description
G.S.R.(E)	06.04.2016	In exercise of the powers conferred by sub section (1) of section 467 of the Companies Act, 2013 (18 of 2013)
General Circular 3/2016	12.04.2016	Relaxation of additional fees and extension of last date of filing of various e-Forms under the Companies Act
G.S.R 832(E)	26.04.2016	Section 396 of CA 2013 - Jurisdiction of the state of Telangana
General Circular 04/2016	27.04.2016	Clarification with regard to companies (Accounting Standards) Amendment Rules, 2016

IMPORTANT NOTICES

Forms INC-23, FC-2, INC-28, AOC-4 ,INC-1, AOC-4_CFS, AOC-4_XBRL, INC-22, INC-27 and MR-2 have been recently updated on MCA21 portal. Stakeholders are advised to download the latest version before filing

The MCA21 portal requires specific Java settings on your desktop computer. Ministry has given a demo video to see the step-by-step procedure to configure the settings before using the MCA21 services - login, upload of e-forms, sign using DSC etc

The relaxation of additional fees vide General Circular No.03/2016 dated 12th April 2016 has been implemented in MCA21 system w.e.f. 21st April 2016. The additional fee payable on Company e-forms which are due for filing between 25th March to 30th April 2016 is relaxed till 10th May 2016. Users may kindly plan their filings accordingly.

================================= UPDATES =================================

Ministry of Corporate Affairs

Government of India

RELAXATION OF ADDITIONAL FEES DUE TO SYSTEM FAILURE DURING IMPLEMENTATION OF V2R2 SYSTEM

Ministry of Corporate Affairs has issued a Circualar no. 3/2016 dated 12/04/2016 and provided much demanded relaxation of additional fees and extention of the last date of filing of various forms under the Companies Act, 2013.

The MCA has launched V2R2 system on 28th March, 2016, and due to system problem stakeholders have to face various problems. Ministry have received various representations on the matter.

In view of the above it has been decided to relax the additional fee payable on e forms which are due for filing by companies between 25th March, 2016 to 30th April, 2016 as one time waiver of Additional Fee and it is also clarified to stakeholders that is such due forms are filed after 10th May, 2016, no such relaxation shall be allowed.

Thereby, upto 10th May no additional fee will be levied for the filing which are due between 25th March to 30th April.

Ministry of Corporate Affairs
Government of India

STAKEHOLDERS ARE REQUESTED TO MAKE NOTE OF THE FOLLOWING COMMON QUERIES AND ARE ALSO REQUESTED NOT TO RAISE DUPLICATE HELPDESK TICKETS.

1. Which e-forms can I file as attachments with GNL-2?

Annual filing eforms under the Companies Act, 1956 viz. 23AC/ACA, 23AC/ACA-XBRL, 20-B, 21-A, Form 66, I-XBRL, A-XBRL, 23B, 23C and 23D would be made available shortly for filing purposes. Users are requested not to file these forms as attachments with GNL-2 eforms.

2. How can I file CRA-4 and Refund eforms as they are not available on www.mca.gov.in?

The CRA-4 (Companies Act, 2013) and Refund eforms would also be made available shortly for filing purposes. Stakeholders may kindly take note and plan accordingly.

3. My account is debited on making online payment; however, corresponding challan/receipt is not generated and system does not allow filing of the form again. What should I do next?

OR

The payment was made but the SRN status is 'Pending for Payment' or 'Not Paid'. Whatshould I do next?

You need to cancel your SRN. On cancellation, the payment would be reversed by the bank.

The filing can be re-initiated immediately.

MCA has issued a circular wherein it has been decided to relax additional fees payable on eforms which are due for filings by companies between 25th March to 30th April '16. However, no such waiver of additional shall be applicable if such due forms are filed after 10th May 2016.

To cancel an SRN, do the following:

1. Login to the MCA21 application.

2. Click the MCA Services tab. The list of **MCA Services** is displayed.

3. Click the **SRN** / **Transaction Status** menu. The Track SRN Status page is displayed.

4. In the **SRN** field, enter the SRN to be cancelled and click **Submit**. The SRN details are displayed.

5. Click the **Cancel SRN** link available for the SRN. The Track SRN page will be displayed with SRN filled in the **SRN field**.

4. I am unable to upload the eform again after cancelling the SRN. How can I upload the eform after cancellation of SRN?

The same eform cannot be uploaded 'As-Is'. You need to modify the eform, complete the Pre-scrutiny and then try to upload the form again. Please ensure that the latest version of the eform is downloaded from MCA21 portal.

5. The payment challan was generated but the total of fees shown is incorrect. How can I get the challan / receipt with correct amount?

The issue has been fixed and stakeholders are requested to download the corrected challan / receipt from "Track Payment Status / Track SRN Status" service on the MCA21 portal.

6. How can I upload linked eforms?

Incorporation forms in the new MCA21 portal need to be linked filed. You are required to select multiple eforms while uploading the form. Steps for linked filing of incorporation forms (INC-7, DIR-12, INC-22, URC-1) are as following:

1. Login to the MCA21 application.

2. Click the MCA Services tab. The list of MCA Services is displayed.

3. Under e-filing, click the Upload eForms menu. The Upload eForms page is displayed.

4. Click the eForm Upload button/link. The eForm Filing page is displayed

5. Click on normal filing or resubmission SRN as the case may be.

6. Check the Linked Forms option

7. Click the Browse button to navigate and select the eform to be uploaded. To upload linked eforms, click the Add more linked eForms button. Click the Browse button that appears in the second row, to navigate and select the linked eform to be uploaded. Follow similar process to upload more linked eforms. You can select upto 10 linked eforms.

8. Click the Upload button. In case you selected multiple linked eforms, all eforms will be uploaded in one go.

9. The pre scrutiny checks happens and after successful upload the SRN of the uploaded eForm will be displayed to the user.

10. The user will have an option to either make a payment soon after form upload or later

11. Click thee Pay Fee button. The fee details screen will be displayed.

12. The Payment Options page is displayed.

13. Select the desired payment option making payment of Fee. Make the payment. SRN is generated and displayed.

14. After you make the payment, a transaction receipt/acknowledgment is generated.

7. I could not resubmit my company eforms as the eform was not available in the portal/ I faced technical issues with the MCA21 portal. What are the timelines for resubmission of Company eforms?

The provision to extend resubmission due date has been made. The stakeholders will be allowed to resubmit the eform until 10th May 2016, in case the resubmission due date was between 25th March and 30th April 2016.

8. The name approval letters has expired for my proposed company. However, the Company formation process is not yet completed. Do I get another name approved?

If the company name was approved and the name expired between periods 25th March to 30th April 2016, the Name reservation date is extended for you till 10th May 2016.

RESERVE BANK OF INDIA

ACCEPTANCE OF DEPOSITS BY INDIAN COMPANIES FROM A PERSON RESIDENT OUTSIDE INDIA FOR NOMINATION AS DIRECTOR

Reserve bank of India has directed to all Dealers Banks that in terms of Regulation 3 of the Foreign Exchange Management (Deposit) Regulations, 2016, notified vide Notification No. FEMA 5(R)/2016-RB dated April 1, 2016, no person resident in India shall accept any deposit from, or make any deposit with, a person resident outside India.

Under section 160 of the Companies Act, 2013, it is provided that a person who intends to nominate himself or any other person as a director in an Indian company is required to place a deposit with the said company. In this context, it has come to the notice of the Reserve Bank that there is ambiguity whether such deposits will require any specific approval from the Reserve Bank under Notification No. FEMA 5(R), in cases where the deposit is received from a person resident outside India.

It is clarified that keeping deposits with an Indian company by persons resident outside India, in accordance with section 160 of the Companies Act, 2013, is a current account (payment) transaction and, as such, does not require any approval from Reserve Bank. All refunds of such deposits, arising in the event of selection of the person as director or getting more than twenty five percent votes, shall be treated similarly.

================================ UPDATES ================================

TAX UPDATE

No penalty on Assesse for TDS default if he/she relied on his/her CA's advice

Assessee (Aishwarya Rai Bachchan) made payment to a non-resident for development of website without deducting TDS under Section 195. The Assessing Officer (AO) observed that payment made for development of website would fall within the meaning of 'fees for technical services' as per Explanation 2 to Section 9(1)(vii). Therefore, payment so made was taxable in India in hands of non-resident and, hence, assessee had made default for not deducting TDS while making such payment. Consequently, the AO imposed penalty under section 271C for not deducting the TDS.

Assessee submitted that **she had not deducted TDS by relying upon advice of her CA.**

Therefore, penalty shouldn't be imposed as there was no mala fide intension. **The tribunal held in favour of assessee** as under-

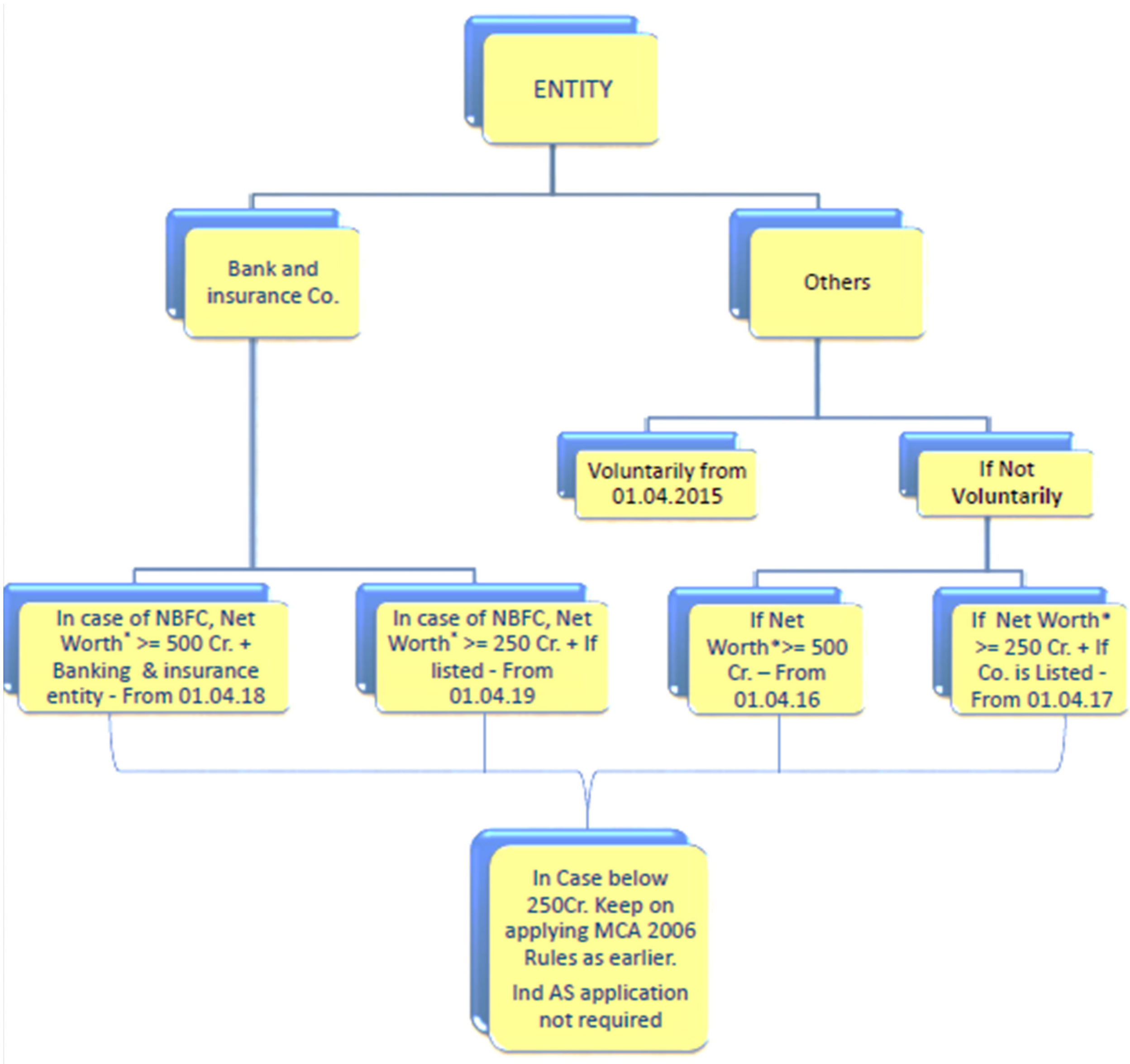
1) Section 273B provides that no penalty under section 271C should be imposed if assessee proves that there was a reasonable cause for failure to deduct TDS.

2) It is a well-accepted fact that every citizen of the country is neither fully aware of nor is expected to know the technicalities of the Income Tax Act. Therefore, for discharging their statutory duties and obligations, they take assistance and advice of professionals who are well acquainted with the statutory provisions.

3) In the instant case, assessee's CA had issued a certificate opining that tax was not required to be deducted at source on said remittance. Therefore, assessee under a bonafide belief didn't deduct TDS while making such remittance.

4) Therefore, **failure on the part of the assessee to deduct tax at source was due to a reasonable cause. Hence, no penalty under Section 271C should be imposed.**

ROADMAP TO IND-AS



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