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 HIS AIM"

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Since: January, 2013

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


CS Ankur Srivastava
Editor

Dear Professional Colleagues & Friends,

I would start with the quote “Change before you have to”. This represents that Change is constant now it is upto us how early and easily we adopt and adapt. We have to be adaptable to the changes in the world in the direction of the quality. All the changes lead towards the betterment. It is upto us how we sync the change towards improving the quality.

We all are aware that GST is now at the corner very soon GST will take charge over all the indirect taxes and will make all of them obsolete. 17 States had ratified the Constitutional Amendment Bill within 23 days and the bill was tabled for the President’s NOD. President of India has given his assent to the Constitution Amendment Bill on Goods and Services Tax (GST) on 8th September, 2016.

The passage of the bill will pave the way for setting up of a GST council that will decide the tax rate, cess and surcharges. Also w.e.f. next financial year most of the Companies have to implement IND-AS as well. With these massive changes in the corporate accounting and taxation process a bundles of new opportunities have arisen in front of all of us. Now the matter is to take a step outside our comfort zone and adapt the change. Sooner we adapt and sync with the change will define the quality of the change.

As the above quote represent we have to change but it is upto us how early we respond to change, how adaptive we are how proactive we are to adapt the change within the system.

We need to prepare ourself for these new challenge, we need to sync ourself with the new concepts whether it is GST, INC-AS or NCLT. And this will happen only when we decide to change. To synchronize ourself with the expected level of betterment which the change had supposed, we need to be proactive, connected and adaptable.

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

Happy Reading.

CS Ankur Srivastava
Editor

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

TRANSFER AND DISCLOSURE TO INVESTOR EDUCATION AND PROTECTION FUND

[AS PER NEWLY INTRODUCED "INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (ACCOUNTIN, AUDIT, TRANSFER AND REFUND) RULES, 2016"]

CS Ankur Srivastava

Ministry of corporate Affairs has issued Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and also implemented the provisions of Section 124 and 125 (remaining provisions) of the Companies Act, 2013 relating to the Investor Education and Protection Fund. These rules have been effective w.e.f. 7th September, 2016.

With the implementation of Investor Education and Protection Fund (IEPF) related provisions of Section 124 and 125 of the Companies Act, 2013. The procedure to transfer to the Fund and other disclosures shall be revised as under:

1. **Transfer to the IEPF(the Fund):**

   a) As per the provisions of Section 124 any amount which remained unpaid or unclaimed within 30 days of from the date of the declaration to any shareholder, the Company shall within 7 days from the expiry of said period of 30 days transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called as Unpaid Dividend Account;

   b) The Company shall within a period of 90 days of making any transfer to Unpaid Dividend Account, prepare a statement containing the names, their last known address and the unpaid dividend to the paid to each person and place it on the website of the Company, and also on any other website as approved by the Central Government for this purpose;

   c) If any default is made in transferring the total unpaid or unclaimed amount to Unpaid Dividend Account, the Company shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of 12% per annum and the interest accruing on such amount shall enure to the benefit of the members of the Company in the proportion to the amount remaining unpaid to them;

   d) Any amount transferred to Unpaid Dividend Account and amount as prescribed under Section 125(2) (a) to (n), which remained unclaimed or unpaid for a period of 7 years from the date of such transfer shall be transferred by the company along with the interest accrued, if any, thereon to the Investor Education and Education Fund;

e) Any amount required to be credited to the Fund shall be remitted into the specified branches of Punjab National Bank, which is the accredited bank of the Pay and Accounts office, Ministry of Corporate Affairs and other authorized banks engaged by the MCA-21 system, within a period of thirty days of such amounts becoming due to be credited to the Fund;

f) The amount shall be tendered by the Companies along with the challan in triplicate to the specified bank branches who will return two copies of the challan, duly stamped in token of having received the amount, to the Company.

g) The Company shall file, along with the copy of the challan as required furnish a statement in form no. IEPF 1 containing details of such transfer to the Authority within thirty day of submission of challan;

h) The amount may also be remitted by Electronic Fund Transfer in such manner as may be specified by the Central Government;

i) The Company shall maintain record consisting of name, last known address, amount, folio number, or client ID, certificate number, beneficiary details etc. of the person in respect of whom unpaid or unclaimed amount has remained unpaid or unclaimed for a period of seven years and has been transferred to the fund and the authority shall have the powers of inspect such records;

j) Every company shall within a period of 90 days after the holding of Annual General Meeting every year till the completion of seven years period, identify the unclaimed amounts, as referred in sub section 2 of Section 125 of the Companies Act, 2013 as on the date of the AGM, and separately furnish and upload on its own website and also on website of Authority or any other website as may be specified by the Government, a statement or information through form no. IEPF 2, separately for each year, containing following information namely;

   a. The name and last known addresses of the persons entitled to receive the sums;

   b. The nature of the amount;

   c. The amount to which each person is entitled;

   d. The due date for transfer into the Investor Education and Protection Fund;

   e. Such other information as may be considered relevant for the purpose.

2. **Manner of transfer of shares Under Section 124(6):** Pursuant to Section 124(6) a new concept has been introduced. All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed.

The claimant of shares transferred to IEPF shall be entitled to claim the transfer of shares from IEPF in accordance with such procedure and on submission of such documents as may be prescribed.

For this purpose in case any dividend is paid or claimed for any year during the said period of seven consecutive years, the shares shall not be transferred to IEPF.

A. For the purpose of effecting transfer of shares, the Board shall authorize the Company Secretary or any other person to sign the necessary documents;

B. The company shall inform at the latest available address, the shareholder concerned regarding transfer of shares three months before the due date of transfer to shares and also simultaneously publish a notice in a leading newspaper in English and regional language having wide circulation and on their website giving details of such shareholders and shares due for transfer;

C. Where the seven years have been completed or are being completed within three months from the date of coming into force of these rules, the Company shall initiate the aforesaid procedure immediately and transfer the shares on completion of three months;

D. In case where there is a specific order of the Court of Tribunal or Statutory Authority restraining any transfer of such shares and payment of dividend, the Company shall not transfer such shares to the Fund. However, the Company shall furnish the details of such shares and unpaid dividend to the IEPF Authority in Form no. IEPF 3 within thirty days from the end of financial year;

E. For effecting transfer of shares held in demat mode: The Company Secretary or the person so authorized by the Board shall sign on behalf of the shareholder the delivery instruction slips of the depository participant for transfer in favour of IEPF Suspense Account of the Company;

F. For effecting transfer of shares held in physical mode the Company Secretary or the person so authorized by the Board shall make an application on behalf of concerned shareholders for issue of duplicate share certificates;

    a. On receipt of application a share certificate for each such shareholder shall be issued and it shall be stated on the face of it and be recorded in register maintained for the purpose, that the duplicate certificate is **" issued in lieu of share certificate no…. for transfer to IEPF"** and the word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate;

    b. Particulars of every share certificate issued as above shall be entered forthwith in a register of renewed and duplicate share certificates as specified in the Companies (Share Capital and Debentures) Rules, 2014;

    c. After issue of duplicate share certificate, the Company Secretary or the person so authorized shall sign the necessary form SH4, i.e. the securities transfer form as specified in Companies (Share Capital and Debentures) Rules, 2014, for transferring the shares in favour of the Fund;

d. On receipt of duly filled transfer form along with duplicate share certificate as issued, the Board or its committee shall approve the transfer and thereafter the transfer of shares shall be effected in favour of the Fund in the records of the Company.

G. The Company or the Depository, as the case may be, shall preserve the copies of the depository instruction slips or transfer deeds and duplicate share certificates for its records;

H. The company shall send a statement to the fund inform IEPF 4 containing details of such transfer;

I. The voting rights on such shares shall remain frozen until the rightful owner claims the shares. However, for the purpose of SEBI(Substantial Acquisition of Shares and Takeover) Regulations, 2011, the shares which have been transferred to the Authority shall not be excluded while calculating the total voting rights;

J. Once the physical shares transferred in the name of the Authority, the Authority shall dematerialise these shares and it shall keep only those shares in physical form, where dematerialization of shares is not possible;

K. The Authority shall maintain IEPF Suspense Account in the name of the Company with depository participant on behalf of the shareholders who are entitled for the shares and all benefits accruing on such shares e.g. bonus, split, consolidation, fraction except right issue shall also be credited to such IEPF Suspense account in the name of the company;

L. The shares held in such IEPF Suspense account shall not be transferred or dealt with in any manner whatsoever except for the purpose of transferring the shares back to the claimant as and when he approaches the Authority;

M. If the Company is getting delisted / would up, the Authority shall/may surrender shares on behalf of shareholders and the proceeds realized shall be credited to the Fund;

N. Any further dividend received on such shares shall be credited to the Fund;

3. **<u>Refund of Claimants form the IEPF Authority:</u>**

A. Any person, whose shares, unclaimed dividend, matured deposits or debentures, application money due for refund, or interest thereon, sales proceeds of fractional shares, redemption proceeds of preference shares etc. has been transferred to the Fund, may claim the shares or apply for refund as the case may be to the Authority by making an application in form IEPF 5 online available on the website www.iepf.gov.in along with fee, as decided by the Authority from time to time, under his own signatures.

B. The claimant shall after making an online application, send the same duly signed by him along with requisite documents as enumerated in form IEPF 5 to the concerned company at its registered office for verification of his claim;

C. The Company shall, within fifteen days of receipt of claim form, send a verification report to the Authority in the format specified along with the documents so received;

D. After verification of the entitlement of the claimant the Authority, within 60 days from the date of receipt of verification report from the company, shall :

   a. electronically pay the amount so claimed;

   b. credit the shares to the demat account of the shareholder; or

   c. cancel the duplicate share certificate and transfer the shares in favour of the claimant within 60 days;

4. Disclosure of amount due to be transferred to the Fund:

A. The company shall furnish a statement to the Authority in form IEPF 6 within 30 days of the end of financial year stating therein the amounts due to be transferred to the Fund in the next financial year;

B. The company shall also furnish a statement to the authority within 30 days of the closure of its accounts for the financial year stating therein the reasons of deviation, if any, of amount so disclosed and actual amount transferred to the Fund.

Summary of Actions under New Regime of IEPF

A. The company shall furnish a statement to the Authority in form IEPF 6 within 30 days of the end of financial year stating therein the amounts due to be transferred to the Fund in the next financial year;

B. The company shall also furnish a statement to the authority within 30 days of the closure of its accounts for the financial year stating therein the reasons of deviation, if any, of amount so disclosed and actual amount transferred to the Fund.

C. As per the provisions of Section 124 any amount which remained unpaid or unclaimed within 30 days of from the date of the declaration to any shareholder, the Company shall within 7 days from the expiry of said period of 30 days transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called as Unpaid Dividend Account;

D. The Company shall within a period of 90 days of making any transfer to Unpaid Dividend Account, prepare a statement containing the names, their last known address and the unpaid dividend to the paid to each person and place it on the website of the Company, and also on any other website as approved by the Central Government for this purpose;

E. Any amount transferred to Unpaid Dividend Account and amount as prescribed under Section 125(2) (a) to (n), which remained unclaimed or unpaid for a period of 7 years from the date of such transfer shall be transferred by the company along with the interest accrued, if any, thereon to the Investor Education and Education Fund;

F. The Company shall file, along with the copy of the challan as required furnish a statement in form no. IEPF 1 containing details of such transfer to the Authority within thirty day of submission of challan;

G. Every company shall within a period of 90 days after the holding of Annual General Meeting every year till the completion of seven years period, identify the unclaimed amounts, as referred in sub section 2 of Section 125 of the Companies Act, 2013 as on the date of the AGM, and separately furnish and upload on its own website and also on website of Authority or any other website as may be specified by the Government, a statement or information through form no. IEPF 2.

H. All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed in form IEPF 4.

Thanks for reading….

With Kind Regards:

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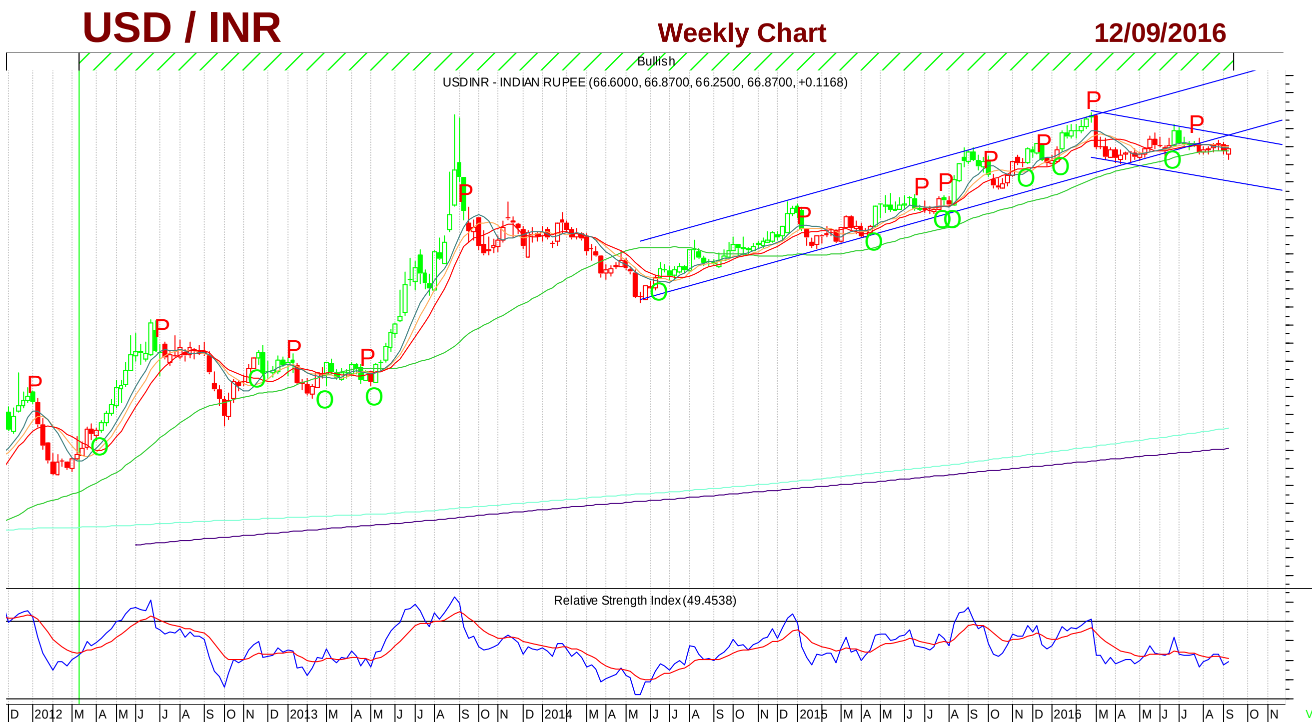
======================== **FOREX HEDGING GUIDE**========================

CMA D.S. Kapoor

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.



Last week, we were of the view that most of the medium term indicators / averages are indicating possibilities of Rupee appreciation in medium term and once 66.76 is decisively broken, the currency may move lower with the next important supports around 66.44 and after that 65.93. It was cautioned too that now onwards, movements could be quite volatile on both the sides in view of multiple resistances and supports all around.

During last week, Open / High / Low / Close have been **66.6000 / 66.8700 / 66.2500 / 66.8700** (earlier week's closing **66.7532**). After opening at 66.6000 on 5th, the currency went down to 66.2500 (last week's low 66.5750) on 6th and then started retracing up and after making a top at 66.8700 (last week's high 67.2050), it finally closed at **66.8700**, being higher than last week's close. Thus, the movements had been in line with our expectations – there was Rupee appreciation and then there was volatility as well.

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

21DMA	66.87	**3 WMA**	66.91	**3 MMA**	66.82	**3 QMA**	66.87
30DMA	66.84	**5 WMA**	66.95	**5 MMA**	67.03	**5 QMA**	66.46
50DMA	66.96	**21WMA**	66.98	**21MMA**	65.45	**21QMA**	59.88
200DMA	67.04	**30WMA**	67.01	**30MMA**	64.12	**30QMA**	55.63

- Currency has closed below few of the above-mentioned moving averages, however is still below the other moving averages including 50DMA / 200DMA. It has also closed below 65DMA (67.06) / 10WMA (66.96) / 120DMA (66.89), but is still above 50WMA (66.77) / 65WMA (66.30). 3WMA has gone below 5WMA last week (after 3 weeks of up-trend). 3MMA is running below 5MMA since 2 weeks (after 8 weeks of uptrend). 3QMA is running above 5QMA. **This all points towards volatility in the currency in medium term.**
- Currency has closed below 8WMA (66.92) / 10WMA (66.96) / 13WMA (67.05); these are running in negative phase and **indicate appreciation in Rupee in medium term;**
- Currency is running below 8MMA (67.00) / 10MMA (67.01), however is still above 13MMA (66.72); **the difference between 8MMA & 10MMA is coming down and is at (-) 0.01 (0.16 on 31st Aug)(0.22 on 31st July; 0.55 on 31st Mar'16).**
- 21DMA (66.87) has moved above 30DMA (66.84) last week (after 5 weeks of downtrend). 21WMA is running below 30WMA and the negative difference between the two has gone down and is at 0.03 (earlier week 0.08); **this all indicates possibility of consolidation in currency with rupee depreciating bias.**
- 50DMA has gone below 200DMA last week and the difference between these has gone to (-) 0.08 (earlier week 0.01; end Mar'16 1.52). **This point towards possibility of Rupee appreciation in medium term.**
- The currency has been taking support at 8QMA (presently at 65.15) continuously since start 2012. Besides, 8QMA is running above 10QMA (64.31) / 13QMA (63.65). **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 – is running below zero line, and is below its average (**however trying to move above average-caution ahead**);

  Weekly Chart – running above zero line, but is below its average **(trying to stabilize)**;

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

  Quarterly Chart – running above zero line and is above its average

Signal indicates consolidation in short to medium term with Rupee depreciating bias.

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

  Daily Chart – **running negative** since 31st Aug'16, and has **moved below zero line** last week;

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

  Monthly Chart – running positive since Aug'11 (though it turned negative on 2nd Sept'16, however could not be confirmed later on last week)**.**

  Signal indicates possibilities of consolidation in short term; and indecisiveness in medium term.

- **RSI –** the status is as under:

  Daily Chart - moved up to 50.78 (last week 40.87), and is above its average;

  Weekly Chart - moved up to 49.45 (last week 47.79), but is below its average;

  Monthly Chart – moved up to 61.12 (last week 60.47), but is below its average;

  Quarterly Chart – moved up to 72.26 (last week 71.85), and is above its average.

  Signal indicates consolidation in currency in short to medium term.

- **Stochastic Oscillator –** Quarterly & monthly charts are giving signals favouring exhaustion at higher levels. **Extreme caution and constant review in medium term is required**.

- **Dollar Index –** It remained within 95.8900 – 94.4400 range and finally closed at **95.3280** (last week **95.8440).** The status is as under:

  A. Daily Crossover signal running negative since 6th Sept'16, and is running below zero line;
  B. Weekly Crossover running negative since week ending 22nd July'16, but is above zero line;
  C. Monthly crossover signal remains in up mode and is above zero line since Feb'15;
  D. Daily RSI has moved down to 48.86 (last week 54.41), but is above its average;
  E. Weekly RSI has moved down to 48.19 (last week 50.52), and is below its average;
  F. Monthly RSI has moved down to 54.79 (last week 56.17), and is below its average;
  G. Daily MACD is running below zero line, but is above its average;
  H. Weekly MACD is running below zero line**,** but is above its average;
  I. Monthly MACD is running above zero line, but is below average;
  J. 3WMA (95.57) has moved above 5WMA (95.37) last week (after 5 weeks of down-trend);

We are of the view that, index may consolidate within 95.12 (120DMA) – 96.16 (200DMA) for few days. The future trend would be clear, once index breaks out of this range. 50DMA (95.84) / 50WMA (96.44) would continue to act as major resistances, where one should remain cautious of profit booking.

The following summarized facts may be observed:

a. Dollar Index may consolidate within 95.12 (120DMA) – 96.16 (200DMA) for few days;

b. Daily crossover signal is running negative since last 2 weeks and is below zero line; Weekly crossover signal is running negative, but above zero line;

c. Monthly Crossover signal running positive since Aug'11 (though it turned negative on 2nd Sept'16, however could not be confirmed later on last week);

d. **50DMA (66.96) has gone below 200DMA (67.04) last week (happened after Sept'14);** 50DMA (66.96) is running below 65DMA (67.06) since 2 weeks;

e. **120DMA (66.90) is running below 200DMA (67.05) since 4 weeks (happened after Nov'14)**;

f. 21DMA (66.87) has closed above 30DMA (66.84) last week; further 21DMA has closed at par with 120DMA (66.87); 21WMA (66.98) is running below 30WMA (67.01) since 10 weeks, however the negative difference is getting narrowed;

g. Currency is running below 50DMA (66.96) / 200DMA (67.04), however is above 50WMA (66.77) / 65WMA (66.30);

h. 3WMA (66.91) has gone below 5WMA (66.95) last week; 3MMA (66.82) is running below 5MMA (67.03) since 2 weeks;

i. Daily MACD is running below zero line and is below its average, **however it is trying to move above its average**; Weekly MACD is running above zero line but below its average, **however is trying to stabilize**;

j. Monthly MACD running below average indicates that depreciation in Rupee, whenever happening, would not be able to sustain at higher level for a longer period.

Going forward, in view of currency having got supported around 65WMA (66.30) / 5QMA (66.46) and also on the basis of other indicators, we are of the view that that though the technical indicators are favoring Rupee appreciation, however operators are not likely to allow it to happen in a hurry. Accordingly, there may now be probabilities of currency consolidating in short term within 66.46 (5QMA) – 66.77 (50WMA) – 67.04 (200DMA) with Rupee depreciating bias. Once, 67.04 (200DMA) is decisively crossed, fresh round of depreciation can also be expected. Stop loss to this view would be closing below 66.2250 (last monthly low as made in May'16).

As already indicated earlier, the proposed repayment of about 26 Billion Dollars by RBI starting around 20th Sept'16 and completing somewhere in Nov'16 may definitely exert some pressure on Rupee taking it initially to somewhere around 67.10 – 67.50. However, as there are ample resistances between around 67.10 - 67.30 - 67.50, hence any depreciating pressure on Rupee would be very effectively resisted.

It may further be noted that we may have to immediately review our strategies immediately whenever long term correction in Indian Stock Markets / other major stock markets of the world starts.

Importers are advised to hedge medium term payables within 66.80 – 66.55 in instalments; short term payables may be settled at market rates. Total hedging may again be increased to around 45-50%. Review of hedging strategies should be made, once currency reaches around 66.45 (on the lower side) or 67.05 (on the higher side) on daily closing basis.

Exporters should utilize any uptick to around 67.00 – 67.05 and hedge medium term receivables. Hedged position may be maintained around 70-80%.

Major Resistances : 67.10 / 67.30 / 67.50

Major Supports : 66.75 / 66.45 / 66.30 / 65.90

Note: All the above rates are from Meta Stock

DISCLAIMER: The opinion expressed in this column is based on technical analysis. There is risk of loss in trading, as markets get affected by multiple factors, which cannot be fully accounted for in preparation of the above opinion. The contents are for academic circulation only. Those following the above do so at their own risk. Any recommendation does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any currency / cross. One should fully understand risks in trading of currency / cross before trading.

Regards,

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

Ministry of Corporate Affairs
Government of India

CIRCULARS/ NOTIFICATIONS ISSUED DURING THE PERIOD

Ref No.	Date	Description
General Circular 10/2016	07.09.2016	Relaxation of additional fees for filing Form IEPF-1
S.O.2866(E)	05.09.2016	Notification: Sub-section (3) of section 1 of the Companies Act, 2013(18 of 2013)
S.O.2843(E)	01.09.2016	Designation of Special Court

ANNUAL FILING FORMS FOR COMPANIES ACT, 1956 NEW

Annual filing forms for Companies Act, 1956 – 23AC, 23ACA, 23B, 20B, 21A and 66 are available on MCA21 portal. Stakeholders are requested to plan accordingly.

XBRL FILING OF ANNUAL FINANCIAL STATEMENTS NEW

C&I taxonomy, for filing Annual Financial Statements in AOC-4 XBRL is being amended to include mandatory CSR / CARO related details and others changes. The revised draft business rules along with the change sheet and Taxonomy (2016) is available on MCA portal. The updated C&I Taxonomy 2016 should be used for filing annual financial statements in respect of financial years commencing on or after 01.04.2014. Please visit the portal for latest update on the availability of validation tool and plan your filing accordingly

SECTION 124 AND REMAINING SUB SECTIONS OF SECTION 125 NOTIFIED NEW

Section 124, sub Section 1 to 4, 6 and 8 to 11 of Section 125 relating to the manner and administration of the Investor Education and Protection Fund notified w.e.f. 7/9/2016.

================================ **UPDATES** ================================

Ministry of Corporate Affairs
Government of India

AVAILABILITY AND RELAXATION OF ADDITIONAL FEE FOR FILING FORM IEPF-1 IN PLACE OF FORM 1-INV

Ministry of Corporate Affairs has notified IEPF(Accounting, Audit, Transfer and Refund) Rules, 2016 w.e.f. 7th September, 2016 and all the form relating to the disclosure of Investor Education and Protection Fund are now available for filing.

With the implementation of the V2R2 version of the MCA21 effecting from 28th March, 2016, Form1-INV was not available on the MCA portal for filing by the stakeholders. In view to resolve this and deployment of new Form IEPF-1, Ministry of Corporate Affairs has clarified that the Companies which could not file Form 1-INV can now file requisite information in Form IEPF-1.

Further, as a onetime measure, the companies whose due date of filing form 1-INV was on or before 25th March, 2016 to 6th September, 2016, may file form IEPF-1 without any additional fees upto 6th October, 2016.

RESTRICTIONS ON PROMOTERS AND WHOLE-TIME DIRECTORS OF COMPULSORILY DELISTED COMPANIES PENDING FULFILLMENT OF EXIT OFFERS TO THE SHAREHOLDERS

1. In terms of section 21A of the Securities Contracts (Regulation) Act, 1956 (SCR Act) read with rule 21 of the Securities Contracts (Regulation) Rules, 1957 and Chapter V of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations"), a recognised stock exchange may compulsorily delist the equity shares of a listed company on certain grounds.

2. In terms of Regulation 24 of the Delisting Regulations, the company which has been compulsorily delisted, **its whole-time directors, its promoters and the companies promoted by any such person, shall not directly or indirectly access the securities markets for a period of ten years from the date of compulsory delisting.**

3. Sub-regulation (3) of regulation 23 of the Delisting Regulations provides that pursuant to compulsory delisting of a company, the promoter shall acquire delisted equity shares from the public shareholders, subject to their option of retaining their equity shares, by paying them the fair value, as determined by the independent valuer appointed by the concerned recognised stock exchange.

4. In addition to the restriction imposed under Regulation 24 of the Delisting Regulations, in order to ensure effective enforcement of exit option to the public shareholders in case of compulsory delisting and taking into account the interests of investors, it is felt necessary to strengthen the regulatory mechanism in this regard.

Accordingly, it is hereby directed that in case of such companies whose fair value is positive:-

a. **such a company and the depositories shall not effect transfer, by way of sale, pledge, etc., of any of the equity shares and corporate benefits like dividend, rights, bonus shares, split, etc. shall be frozen, for all the equity shares, held by the promoters/ promoter group till the promoters of such company provide an exit option to the public shareholders in compliance with sub-regulation (3) of regulation 23 of the Delisting Regulations, as certified by the concerned recognized stock exchange;**

b. **the promoters and whole-time directors of the compulsorily delisted company shall also not be eligible to become directors of any listed company till the exit option as stated at 4.a. above is provided.**

5. For the aforesaid purposes, "compulsorily delisted company" means a company whose equity shares are delisted by the recognised stock exchange under Chapter V of the Delisting Regulations.

6. The concerned recognised stock exchanges and depositories shall co-ordinate with each other for ensuring compliance of these requirements. SEBI may also take any other appropriate action(s) against the promoters/promoter group and directors of the compulsorily delisted company for non-compliance with sub-regulation (3) of regulation 23 of the Delisting Regulations.

================================ **UPDATES** ================================

EXTENSION DUE DATE FOR FILING INCOME TAX RETURN U/S 139(1)

As the last date of Income Declaration Scheme 30th September is coincide with the last date for filing income tax returns by the taxpayers for the Assessment year 2016-17 whose account are required to be audited as per the provisions of Section 139(1).

Thus to provide relief and to remove inconvenience, Central Board of Direct Taxes has issued an order on 9th September, 2016 and thereby extended the due date for furnishing Income Tax Returns from 30th September, 2016 to 17th October, 2016**.**

================================ **UPDATES** ================================

UPDATE ON GST

President Pranab Mukherjee has given his assent to the Constitution Amendment Bill on Goods and Services Tax (GST) on 8th September, 2016.

The passage of the bill will pave the way for setting up of a GST council that will decide the tax rate, cess and surcharges. The GST is a single indirect tax which will subsume most of the central and state taxes such as Value Added Tax (VAT), excise duty, service tax, central sales tax, additional customs duty and special additional duty of customs. The Parliament had on August 8, 2016 passed the bill which was then circulated to state governments seeking its ratification.

A Constitution amendment bill needs to be ratified by the legislative Assemblies of at least 50 percent of the states. The bill was sent to the President's secretariat after as many as 17 states, ratified the bill, Assam being the first.

The other states which have passed the legislation include Bihar, Jharkhand, Chhattisgarh, Himachal Pradesh, Gujarat, Madhya Pradesh, Delhi, Nagaland, Maharashtra, Haryana, Sikkim, Mizoram, Telangana, Goa, Odisha and Rajasthan.

The period of 30 days was kept for state ratification, however, the ratification of 17 states has been achieved within 23 days and the bill was tabled to the President Secretariat for President’s NOD.

Now that the bill has got Presidential assent, the government will notify the GST Council, which will decide on the tax rate. Headed by Union Finance Minister Arun Jaitley, the Council will comprise state Finance Ministers.

The states and the Centre are working to draft the Central GST, State GST and Integrated GST laws, which are to be passed in the Winter Session of Parliament.

The CGST and IGST will be drafted on the basis of the model GST law. The states will draft their respective State GST (SGST) laws with minor variation incorporating state-based exemptions. The IGST law would deal with inter-state movement of goods and services.

================================ **UPDATES** ================================

NEW RECOGNITION FOR COMPANY SECRETARIES

THE INSTITUTE OF
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

PDPP&S/LL/2016/37 ***September 09, 2016***

Dear Professional Colleagues

Sub. : Authorization of Practising Company Secretaries for Conducting Third Party Certification Audits

As you are kindly aware, the Labour Department, Government of Haryana vide its Notification No.11/38/2016-4Lab dated 10th August, 2016 formulated Third Party Certification/Audit Scheme for the factories, shops and commercial establishments in the State to liberalise the enforcement of labour laws in pursuance of implementation of the "Business Reform Action Plan 2016- Ease of Doing Business" as formulated by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industries, Government of India .

The Third Party Certification/Audit Scheme has authorized ***Practising Company Secretaries*** to conduct audits of compliance of various labour laws.

As per Third Party Certification/Audit Scheme, "Compliance Auditor" would be a qualified Practising Company Secretary and who has not been an employee or on the regular pay role of the establishment or has not been a consultant of the company for the last three years. The units which submit Third Party Certification regularly on annual basis shall not be inspected through the random list of inspections.

Notification dated 10th August, 2016 issued by the Labour Department, Government of Haryana is attached for your kind information please.

Regards

CS Mamta Binani
President