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"

⇒ INSIDE

Articles / other materials and suggestions are invited from the Members for publication in forthcoming Issues. All articles submitted will be subjected to review and published only after accepted for publication.

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: 2013

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

CS Ankur Srivastava
Editor

Dear Professional Colleagues & Friends,

At the outset, I am elated to share will all the readers, team and associates of Corporate Journal that the Journey of Corporate Journal has now completed 4 years of wonderful association. I am thankful to all of you for your encouragement, feedback and guidance. 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.

Goods and Service Tax (GST) is now at the corner, IND-AS to be applied by most of the Listed Companies w.e.f. 01.04.2017, Insolvency & Bankruptcy Code already notified and Corporate Litigation has transformed to Tribunals. In this dynamic and ever upgrading environment, regular transformation of interpersonal skills is the demand of the current Corporate World.

As the above quote represents, we have to change but it is upto us how early we respond to change, how adaptive we are and how proactive we are to adapt the change within the system. Now the matter is to take a step outside our comfort zone and adapt this transformation. Sooner we adapt and sync with the change will define the quality of the change.

We need to prepare ourselves for these new challenge, we need to sync ourselves with the new concepts whether it is GST, IND-AS or NCLT. And this will happen only when we decide to change. To synchronize ourselves 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.

Further the Ministry has also issued Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 which has revised the procedure related to transfer of Shares to the Investor Education and Protection Fund (IEPF) under Section 124(6) and 125 of the Companies Act, 2013

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 ensure 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; and

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

1. **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 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 that the name of such shareholders and their folio number / DP-ID / Client Id are available on their website giving details of such email id;

   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 the due date of such transfer of the shares has been fixed to 31st May, 2017;

   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 shall inform the depository by way of corporate action, where the shareholders have their account for transfer in favour of the authority. On receipt of such information the depository shall effect the transfer in favour of the demat account of the Authority;

   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 shall inform the depository by ways of corporate action to convert the duplicate share certificate into Demat form and transfer in favour of the Authority.

d. The shares shall be credited to the Demat Account of the Authority to be opened by the Authority for the said purpose, within a period of 30 days of such shares becoming due to be transferred to the fund.

G. The Company shall make such transfer through corporate action and shall preserve the copies for its record;

H. All benefits accruing on such shares e.g. bonus shares, split, consolidation, fraction shares etc. shall also be credited to demat account of the Authority.

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

J. 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;

K. 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;

L. 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;

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

2. <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.

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

E. In case, claimant is the legal heir or successor or administrator or nominee of the registered shareholder, he has to ensure that the transmission process is completed by the Company before filing any claim to the Authority.

F. In case the Company has received the transmission request as above after transfer of shares to the Authority, the Company shall verity all requisite documents and shall issue letter to the claimant indicating his entitlement of the said shares and furnish the copy of the same to the Authority while verifying the claim of such claimant.

G. The claimant shall file one consolidated claim in respect of a company in a financial year.

3. <u>Disclosure of amount due to be transferred to the Fund:</u>

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.

<u>Summary of Actions under New Regime of IEPF:</u>

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.

With Kind Regards:
CS Ankur Srivastava
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================================ ARTICLE ==================================

GOODS AND SERVICE TAX

Introduction:

CMA Shriram Varadan

With the thrust for 'one nation one tax' the present government had successfully brought the for much awaited tax reforms in the Indian economy by implementing **GST.** After both the houses of parliament passing the bill, the ministry had the task of getting it passed by atleast 50% of states in its cabinet which is under process and as on date 8 states have already passed on supporting CAB.

Post successful completion of the same the finance ministry will now has to set up an council comprising bureaucrats, central and state participants to recommend rates, exemptions, notifications, enactments to support in drafting one final tax laws across the country. Since most of the state finance offices are already under training to ensure GSTN framework preparedness it is now upto the industries to gear up to face the upcoming challenges in the tax reform measures. Let's have a brief gist on what revolves around GST.

FRAMEWORK:

GST - Goods & Service Tax

- Consumption based tax
- Levy on all goods and services
- Alcohol is excluded from the purview (i.e.) will be under state govt
- Petroleum is currently excluded but the same is expected to be covered under the ambit at an future date

LEGISLATION:

GST is framed to work on three propositions namely CGST, SGST & IGST

CENTRAL GST
BY CENTRAL GOVT

STATE GST
BY STATE GOVT

INTEGRATED GST
BY CENTRAL GOVT

- Dual GST : CGST **+** SGST (Intra state supplies)
- IGST - Interstate supplies (Including Stock transfers and imports)
- With the advent of these three tax propositions following taxes are proposed to be subsumed

Though the above taxes are said to be subsumed certain levies still continue to exist even after implantation of GST such as

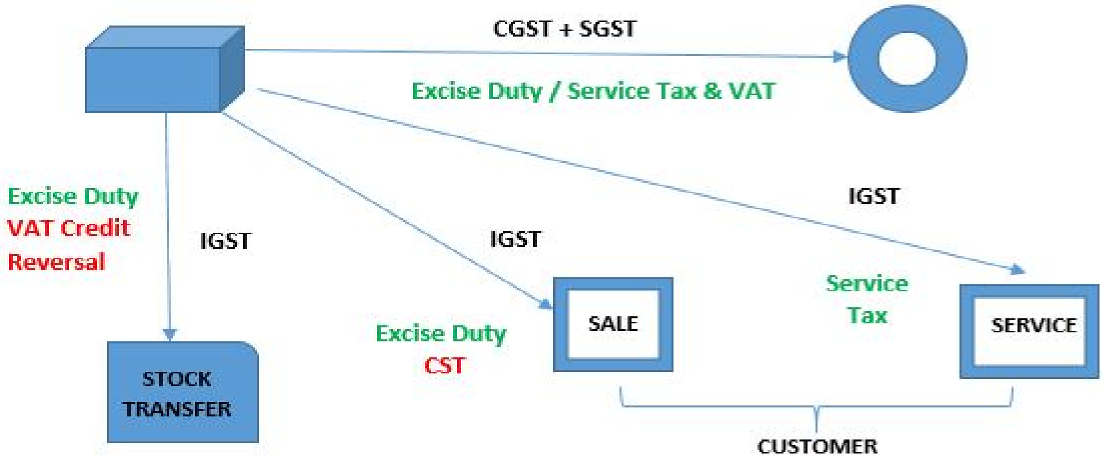
- Basic Customs Duty
- Stamp Duty
- Taxes and duties on electricity
- Taxes and duties on alcohol

PROPOSED CREDIT MECHANISM:

LEVY	LEVIABLE ON	ADJUSTABLE
CGST	Local Supply of goods/services	CGST IGST ~~SGST~~
SGST	Local Supply of goods/services	SGST IGST ~~CGST~~
IGST	Inter State Supply of goods/services Imports into India	IGST CGST SGST

================================ **ARTICLE** =================================

OUTLINE



TAX STRUCTURE:

- The current effective rate of tax on goods is in the range of 18.13% (12.5% ED + 5% VAT) to 28.8% (12.5% ED + 14.5% VAT), so it is expected that the panel will propose an average levy in the midrange of **18% - 20%**. This will also eliminate cascading effect (VAT on ED)
- As far as Service is concerned, they are taxed at 15% at present and it is expected the proposed rate will be in the range of **18% - 20%**. This might have burden on end consumers predominantly

CONCLUSION: *The above brief introduction throws light on the shape of GST at beginner level of how it is going to work on in place of existing levies. This is the structure with which one tax measure is going to be built and progress at next levels. In the next edition a detailed portrait on many aspects will be touched upon.*

Thanks and Regards:

SHRIRAM VARADAN
COST & MANAGEMENT ACCOUNTANT
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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.

During last week, Open / High / Low / Close have been **66.7750 / 66.8550 / 66.5300 / 66.5300** (earlier week's closing **66.7500**). After opening at 66.7750, it remained range bound for first 3 days and then went up to 66.8550 (earlier week’s high 66.8900) on 9th and after that started correcting, and after making a bottom at 66.53 (earlier week’s low 66.6200), it finally closed at **66.5300**, being lower than last week’s close. Thus, the movements have been on the expected lines and currency continued consolidating as expected. **Current downtrend has completed 30 days.**

Moving Averages : The position is presently as under**:**

21DMA	66.78	**3 WMA**	66.63	**3 MMA**	66.90	**3 QMA**	67.00
30DMA	66.92	**5 WMA**	66.75	**5 MMA**	67.45	**5 QMA**	66.95
50DMA	67.39	**21WMA**	67.48	**21MMA**	66.73	**21QMA**	61.41
200DMA	67.22	**30WMA**	67.28	**30MMA**	65.49	**30QMA**	56.92

Short / Medium Term View

It may be observed that the currency is hovering in a bigger downward sloping channel since Nov'16 and since last 6 weeks, it has been in an intermediate downtrend starting from the top end of this channel. Further, since 9th Feb'17, currency is consolidating with the bottom around 66.70 – 66.53. Accordingly, we are of the view that:

i. Till it does not cross 66.85, it would continue consolidating around 66.40 – 66.50 - 66.75. However, once it decisively crosses 66.85 on daily closing basis, current intermediate downtrend may come to an end and in that case, the next important resistance would be 67.13 (50WMA), which is not likely to be crossed so easily in near future.

ii. Please remember that till range of 66.85 – 67.13 is not decisively crossed on daily closing basis, fresh Rupee depreciation would not be possible.

iii. Please also keep in mind that 67.36 (120DMA) is likely to remain as a very crucial resistance, which may even become the possible top of any expected intermediate uptrend in future. Stop loss to the above view would be closing below 66.40, as its breaching may result into currency moving lower.

iv. One has to remember that, **monthly crossover signal having turned negative after Aug'11**, long term trend of the Currency has turned towards Rupee appreciation and hence, medium term targets in cases of upward retracements may not be met fully quite often.

Long Term Trend :

Towards Rupee appreciation (with volatility on both the sides), as monthly Crossover signal is running negative.

Targets for end Dec'17 should be around 65.50 +- 50 paisa.

Dollar Index (101.2470): There are clear indications of Dollar Index topping out; however, it would be more confirmed, once it moves below 50DMA (101.07). Once it happens, the next target would be 120DMA (100.06). We had indicated last week that 3MMA (100.61) has moved below 5MMA (101.13) after 5 months, which indicates possibility of trend reversal. Accordingly, extra care would be required, in case it skids below 120DMA (100.06), as breaking of these levels would be instrumental in turning its intermediate trend clearly negative. We reiterate that the current cycle should likely to be the last leg of uptrend in Dollar Index, hence one should remain cautious for any time trend reversal.

Major Possible Triggers

The following major important economic events of the world (including India) are likely to exert pressure on Rupee during next 3-4 months,:

- **Results of Elections** in five states have been declared on Saturday, its impact would be clear on Tuesday only (Monday being holiday)
- **Fed policy** on 15th March 2017
- **Dollar Inde**x movements
- **GARR** to be implemented w.e.f. 1st April 2017
- **Movements in Trade balance**
- **Crude oil price movements** – change in trend happening
- **Stock markets movements in next 2-3 months –** current consolidation / running correction is likely to be followed by uptrend i.e. base building for long term Bull market
- Policies of US President Donald Trump
- Movements in **Chinese Currency** – once again depreciation has started
- **Major World Elections in 2017** : Dutch Election (15th March) / German Election / Italy Election / French Election

Importers should hedge medium term payables (up to April'17) around current levels i.e. 66.45 – 66.65. Short term payables may be settled at market rates. Total hedging may be maintained around **35-40%** on 6 months basis**.**

Exporters should start hedging medium term receivables in instalments, once currency reaches around 67.15 Please note that we had been recommending since more than 6 months for hedging around 90% of receivables. Now onwards, a different strategy for hedging will have to be adopted, where we have to change hedging %ages drastically almost every 2 months or so. Presently, once it reaches around 67.15, we should immediately review for hedging our next 3-4 months receivables.

Major Resistances : 66.85 / 67.00 / 67.15 / 67.35

Major Supports : 66.40 / 66.20 / 66.00 / 65.60

Note: All the above rates are from Meta Stock

Regards,

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

Ministry of Corporate Affairs

Government of India

सत्यमेव जयते

CIRCULARS/ NOTIFICATIONS ISSUED DURING THE PERIOD

Ref No.	Date	Description
S.O.(E)	23.03.2017	Substitution of ICSI and ICAI nominee on NACAS
S.O.(E)	23.03.2017	Designation of Special Court for the state of Telangana and Andhra Pradesh

IMPORTANT NOTICES NEW

1. Form 20B,PAS-3 and 23ACA are likely to be revised on MCA21 Company Forms Download page w.e.f 29th Mar 2017. Stakeholders are advised to check the latest version before filing.

2. Stakeholders are advised to ensure that Form 3 (Information with regard to Limited Liability Partnership agreement and changes, if any, made therein) has been mandatorily filed for initial agreement before filing of Form 8 (Statement of Account & Solvency) and Form 11 (Annual Return of Limited Liability Partnership (LLP).

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

SPECIAL CLEARING OPERATIONS ON MARCH 30 AND 31, 2017

A reference is invited to the circular issued by our Department of Government and Bank Accounts (DGBA.GAD.No.2377/42.01.029/2016-17 dated March 16, 2017) on 'Annual Closing of Government Accounts - Transactions of Central / State Governments - Special Measures for the Current Financial Year (2016-17)'.

With a view to facilitate accounting of all the Government transactions for the current financial year (2016-17) by March 31, 2017, RBI has issued a Circular dated 23rd March, 2017 and it has been decided to conduct special clearing at all clearing houses across the country on **March 30 and 31, 2017** as detailed below:

Date	Type of clearing	Presentation clearing	Return clearing
March 30, 2017 (Thursday)	Normal Clearing as followed on any working Thursday		
	In addition, a Special Clearing exclusively for Government transactions (receipts and payments) with return clearing on the same day as per the schedule indicated below.		
March 31, 2017 (Friday)	Normal Clearing as followed on any working Friday		
	In addition, a Special Clearing exclusively for Government transactions (receipts and payments) with return clearing on the same day as per the schedule indicated below.		

Schedule for various types of clearing

a. CTS grid locations (Chennai, Mumbai and New Delhi)

Special Presentation clearing on March 30 & 31, 2017***	P2F session timings for the instruments presented through the Special Clearing	Return clearing for the instruments presented through the special clearing
Between 20.00 and 20.30 hours	Between 21.00 and 21.30 hours	Between 22.00 and 22.15 hours

*** Under the special clearing, single session will be run for both CTS-2010 and non-CTS-2010 standard instruments together. No segregation is required.

b. Special clearing in non-MICR/ECCS clearing houses

Presentation clearing	Return clearing
One hour after the extended business hours keeping in view the operational convenience at the local center	Half an hour/One hour after the presentation clearing keeping in view the operational convenience at the local center.

It is mandatory for all banks to participate in the special clearing operations on these two days. All member banks of the Clearing House are required to keep their inward clearing processing infrastructure open during the Special Clearing hours and maintain sufficient balance in their clearing settlement account to meet settlement obligations arising out of the Special Clearing. However, participation in the outward clearing is left to banks depending upon the instruments received by them towards credit-to/payment-from Government accounts.

Member banks of Clearing Houses are advised to adhere to the instructions contained in this circular as well as the instructions received from the Regional offices of Reserve Bank of India and Presidents of respective Clearing Houses. In case of image-based clearing at CTS locations, separate operating procedure will be decided for these two days and advised to all member banks by the President of the respective CTS location and in this regard member banks may be guided by the circular issued by NPCI to all member banks and President of the three grids vide their circular NPCI/2016-17/CTS/Circular No. 32 dated October 3, 2016.

Member banks are also advised to be in readiness to participate in the Centralized Payment Systems (RTGS and NEFT) on these days (March 30-31, 2017). A separate broadcast message in this regard will be issued through the respective system indicating the extended time window.

भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

SCHEMES OF ARRANGEMENT BY LISTED ENTITIES AND (II) RELAXATION UNDER SUB-RULE (7) OF RULE 19 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957

This is with reference to SEBI Circular No.CFD/DIL3/CIR/2017/21 dated March 10, 2017 on the captioned subject. Para 8 of the aforesaid circular provides that the pricing provisions of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be followed in case of issuance of shares to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes.

SEBI has issued a Circular no. CFD/DIL3/CIR/2017/26 dated 23rd March, 2017 and clarified that the 'relevant date' for the purpose of computing pricing shall be the date of Board meeting in which the scheme is approved.

The Stock Exchanges are advised to bring the provisions of this circular to the notice of Listed Entities and also to disseminate the same on their website.

भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

EXCLUSIVELY LISTED COMPANIES OF DE-RECOGNIZED / NON-OPERATIONAL / EXITED STOCK EXCHANGES PLACED ON THE DISSEMINATION BOARD

SEBI vide circular dated October 10, 2016 provided a period of three months to the exclusively Listed Companies (ELCs) on the Dissemination Board (DB) to submit an action plan to list or to provide exit to shareholders to the designated stock exchanges.

Further, SEBI vide circular dated January 05, 2017 extended the time to submit plan of action till March 31, 2017.

SEBI has been receiving representations seeking clarifications on raising of further capital and the process of exit of ELCs from the DB. Therefore, in the interest of the investors of such ELCs, it is decided to extend the time to submit the plan of action till June 30, 2017. All other conditions as mentioned in the SEBI circular dated October 10, 2016 remain unchanged.

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

The Central Board of Excise & Customs is being renamed as the Central Board of Indirect Taxes & Customs (CBIC)

Re-organisation of the field formations of the Central Board of Excise & Customs (CBEC) for the implementation of Goods & Services Tax (GST) has been approved by the Finance Minister. The existing formations of Central Excise & Service Tax under the CBEC have been reorganised to implement and enforce the provisions of the proposed Goods & Services Tax Laws.

The Central Board of Excise & Customs is being renamed as the Central Board of Indirect Taxes & Customs (CBIC), after getting legislative approval. The proposed CBIC shall, inter alia, supervise the work of all its field formations and Directorates and assist the Government in policy making in relation to GST, continuing Central Excise levy & Customs functions.

The CBIC will have 21 Zones, 101 GST Tax payer Services Commissionerates comprising 15 sub-Commissionerates, 768 Divisions, 3969 Ranges, 49 Audit Commissionerates and 50 Appeals Commissionerates. This will ensure rendering of taxpayer services to all the taxpayers through an indirect tax administration structure, having pan-India presence.

For a robust IT Network, the Directorate General of Systems under CBEC is being strengthened. The Directorate General Tax Payer Services is being expanded for greater out- reach for facilitating smooth transition for the taxpayers to the GST environment. The existing training establishment, to be renamed as National Academy of Customs, Indirect Taxes and Narcotics will have an all India presence, to enable capacity building to the employees of the indirect tax administration of the Centre as well as of the State Governments and to members of Trade and Industry.

The renamed Directorate General of Goods & Service Tax Intelligence is also being strengthened and expanded to become an important wing of the Government in its fight against Tax Evasion and Black Money.

UPDATES ON GOODS AND SERVICE TAX

GST: A Journey of 17 years of missed deadlines and variable political goalposts

On 27th March, 2017 following four GST Bills were presented in Lok Sabha:

1. (Bill No. 57 of 2017) Central Goods and Services Tax Bill (CGST) , 2017
2. (Bill No. 58 of 2017) Integrated Goods and Services Tax Bill (IGST), 2017
3. (Bill No. 59 of 2017) Union Territory Goods and Services Tax (UTGST), Bill, 2017
4. (Bill No. 60 of 2017) Goods and Services Tax (Compensation to the States) Bill, 2017

With the tabling of four GST Bills in the Lok Sabha on 27th March, 2017, the journey of Goods and Services Tax enters into its last phase. Meeting the deadline of July 1 seems a definite possibility. It has been a marathon journey of the most crucial tax reform in the country.

The journey started in 1999 when there was an NDA government at the Centre with Shree Atal Bihari Vajpayee as the Prime Minister. The GST was conceptualized for the first time in 1999 during a meeting between the then Prime Minister Shree Atal Bihari Vajpayee and his economic advisory panel which included three former RBI governors IG Patel, Bimal Jalan and C Rangarajan.

Acting on the advice by his economic advisory panel of IG Patel, Bimal Jalan and C Rangarajan, Vajpayee set up a committee headed by the then finance minister of West Bengal Asim Dasgupta - a CPI-M leader - to design a GST model.

In 2003, Vajpayee government formed a task force under Vijay Kelkar to recommend tax reforms.

The Vajpayee government was replaced with UPA-I government in 2004. The new government sped up the process.

In 2005, Kelkar committee recommended rolling out GST as suggested by the 12th Finance Commission. Presenting his budget, the then Finance Minister Shree P Chidambaram echoed the sentiments for bringing in GST regime.

In February next year, the deadline was set as 1st April, 2010 for introducing GST. Meanwhile, the Asim Dasgupta committee kept working and preparing the ground work for the GST.

In 2009, Shree Pranab Mukherjee became the Finance minister and announced the basic structure of the GST, as designed by Asim Dasgupta committee. Mukherjee too retained the April 2010 deadline, which, many rightly suspected, was not possible under the given circumstances.

The BJP opposed the basic structure of the GST on many counts. The BJP ruled states raised objections.

In February 2010, the finance ministry started large-scale, what it called mission-mode computerization of commercial taxes in states. The project was to lay foundation for the GST.

Asim Dasgupta committee kept working. In one of the interviews, Dasgupta said that by the end of 2010, the committee had completed 80 per cent of the GST work.

GST BILL IN PARLIAMENT

In 2011, the government tabled a Constitution Amendment Bill in the Lok Sabha to provide for the GST. The BJP opposed. It got the Left on its side. Other Opposition parties also raised objections.

The GST Bill was sent to the parliamentary standing committee headed by Yashwant Sinha, who was the Finance Minister when Asim Dasgupta committee was constituted.

GST MOVES THROUGH POLITICS

Meanwhile, Mamata Banerjee's TMC unseated the three-decade-old Left Front in West Bengal. Asim Dasgupta resigned as the chairman of the committee and was replaced by senior Congress leader and the then Finance Minister of Kerala K M Mani.

In 2012, during the deliberations in the parliamentary standing committee, the BJP and the Left objected to extra discretionary power to the Centre over GST dispute authority.

With Pranab Mukherjee moving to the Rashtrapati Bhawan in 2012, Chidambaram held a series of meetings with the state finance ministers. They set another deadline of December 31, 2012 to iron out all their differences.

In February 2013, Chidambaram announced in his Budget speech that the government had set aside Rs 9,000 crore to compensate states for losses incurred due to GST. Meanwhile, the parliamentary standing committee submitted its report on GST. The Amendment Bill for introducing GST was ready for introduction in Parliament.

Two months later in October 2013, the then Narendra Modi government of Gujarat opposed the GST Bill. Gujarat claimed that it would have to incur over Rs 14,000 crore losses every year due to GST. This argument changed forced the BJP change its political narrative of the GST.

2014 AND AFTER

The parliamentary elections were held in 2014 and with the dissolution of the 15th Lok Sabha, the GST Bill - approved by the standing committee for reintroduction - lapsed.

Seven months after the formation of the Modi government, Finance Minister Arun Jaitley introduced the GST Bill in the Lok Sabha. It was now Congress's turn to object.

In February 2015, Jaitley set another deadline of April 1, 2016 to implement GST. In May 2015, the Lok Sabha passed the Constitution Amendment Bill paving way for GST.

Now in opposition, the Congress demanded that the GST Bill be sent to the Select Committee of the Rajya Sabha.

Over the next more than a year, the ruling and Opposition parties held back GST over several issues including those of having a capping taxation rate and according constitutional status to the GST. Finally in August 2016, the two sides agree to pass the Amendment Bill.

In next 15-20 days, 18 states ratify the GST Bill and President Pranab Mukhejee gives his assent to it. In the same month of September, President Mukherjee constitutes the GST Council, which frames five GST Bills.

THE FIVE GST BILLS

Finance Minister Arun Jaitley today tabled four GST Bills today in the Lok Sabha. The Union Cabinet already cleared all the four Bills.

The Bills are - the Central Goods and Services Tax Bill 2017 (C-GST), the Integrated Goods and Services Tax Bill 2017 (I-GST), the Union Territory Goods and Services Tax Bill 2017 (UT-GST) and the Goods and Services Tax (Compensation to the States) Bill 2017.

These Bills require to be passed by Parliament while the State Goods and Services Tax Bill 2017 will go to state Assemblies. They need to be separately passed by 29 Assemblies to have GST as the new tax regime in the country.

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

NOTE FOR THE EXCLUSIVELY LISTED COMPANIES OF DE-RECOGNIZED/NON-OPERATIONAL/EXITED STOCK EXCHANGES PLACED ON THE DISSEMINATION BOARD (DB)

SEBI vide circular dated May 30, 2012 issued guidelines facilitating the exit of De-recognized/Non-operational stock exchanges and exit to the shareholders of exclusively listed companies (ELCs) by allowing them to get listed on nationwide stock exchanges after complying with the diluted listing norms of nationwide stock exchanges, failing which they would be moved to the Dissemination Board (DB).

Further, SEBI vide circular dated May 22, 2014, inter-alia, provided that Exclusive Listed Companies(ELCc) , on de-recognized/non-operational stock exchanges, can also opt for voluntary delisting by following the existing delisting norms of SEBI. It was also specified that if the ELCs fail to comply with the same, they shall be moved to DB.

Subsequently, SEBI has, vide circular dated April 17, 2015, allowed a period of eighteen months' time to ELCs on DB to obtain listing upon compliance with the listing requirements of the nation-wide stock exchanges.

Therefore, now the ELCs on the DB would be on the Dissemination Board and required to exercise one of the two options as mentioned hereunder:

1. **Raising capital for listing on Nationwide Stock Exchanges.**

In order to facilitate listing on nationwide stock exchanges, the ELCs on the DB shall be allowed to raise capital for meeting the listing requirements through preferential allotment route in terms of the provisions under the Issue of Capital and Disclosure Requirements Regulations, 2009 (ICDR).

2. **Provide exit to investors:**

In order to protect the interest of all shareholders of such ELCs, an exit opportunity is to be provided to the investors as per the specified mechanism. Accordingly, all ELCs shall be required to ensure compliance with the procedure for exit. The oversight and monitoring of such exit mechanism shall be carried out by the designated stock exchange.

The ELCs on the DB which are yet to indicate their intention to comply with listing or to provide exit shall submit their plan of action to designated stock exchanges. SEBI vide Circular no. SEBI/HO/MRD/DSA/CIR/P/2017/27 dated 27th March, 2017 has further extended the time to submit the action plan to the dissemination board upto 30th June, 2017, to the satisfaction of the designated stock exchanges, failing which the designated exchange shall recommend action against the Company.

Action against companies remaining on the DB

a. Any promoter or director whose company is on the DB and has failed to demonstrate adequacy of efforts for providing exit to their shareholders in conformity with the exit mechanism as provided shall be liable for the following actions :

- The company, its directors, its promoters and the companies which are promoted by any of them shall not directly or indirectly associate with the securities market or seek listing for any equity shares for a period of ten years from the exit from the DB.
- Freezing of shares of the promoters/directors.
- List of the directors, promoters etc. of all non-compliant companies as available from the details of the company with nationwide stock exchanges shall be disseminated on SEBI website and shall also be shared with other respective agencies.
- Attachment of bank accounts/other assets of promoters/directors of the companies so as to compensate the investors.

Therefore, urgently the course of action is to be decided and communicated to the Dissemination Board of the Stock Exchange and accordingly steps are to be taken at the earliest.

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

COMPLIANCES OF SEBI (LISTING OBLIGATINO AND DISCLOSURE REQUIREMENTS,)REGULATIONS, 2015

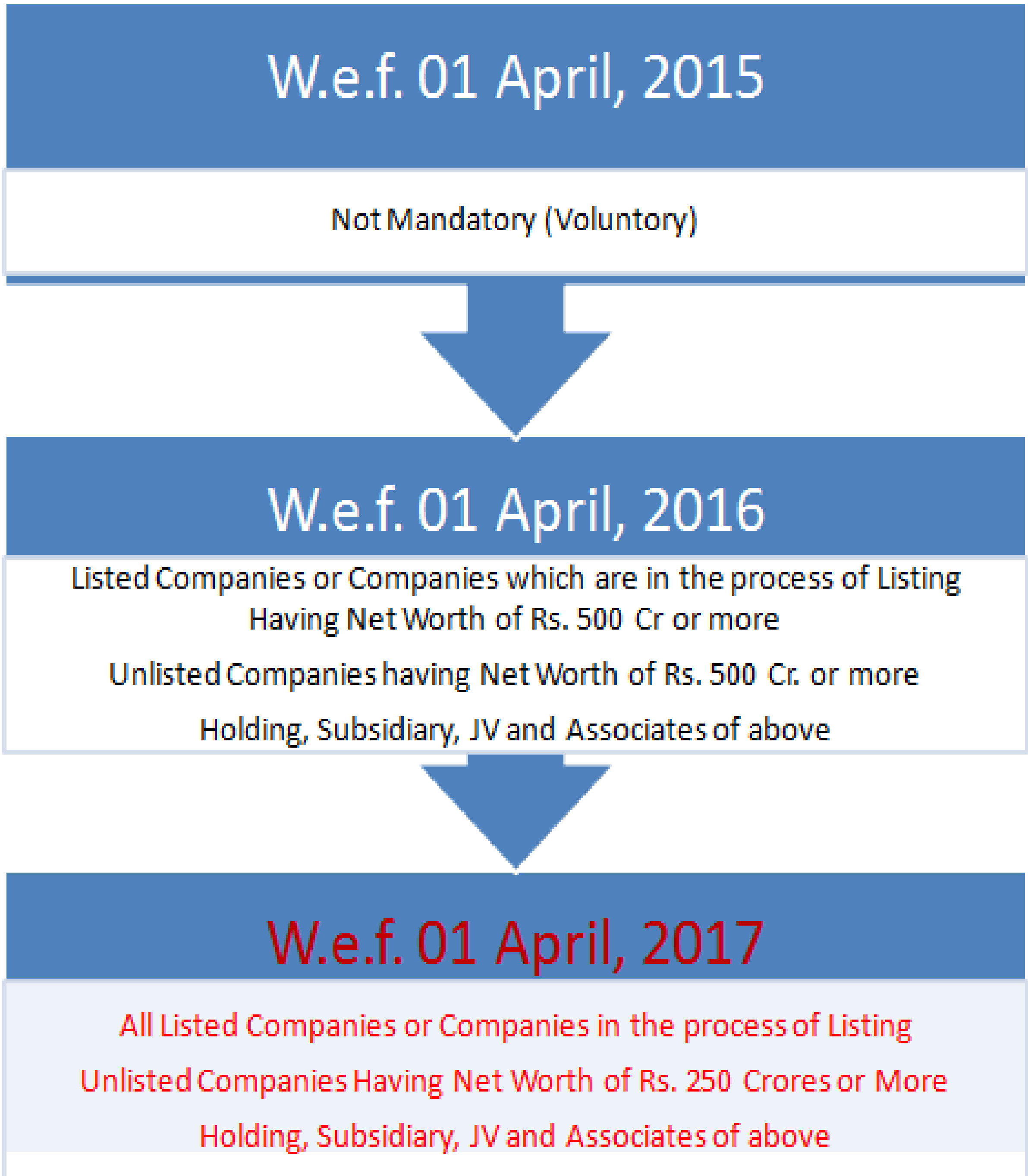
Compliance to be done in the Month of April to June:

Sr. No.	Compliances	Time Period
1	Statement of Investor complaint This report shall also be placed before the board of directors on quarterly basis. **(Regulation 13(3))**	Within 21 days of the end of quarter
2	Compliance report on corporate governance **(Regulation 27(2))**	Within 15 days of the end of quarter
3	Shareholding Pattern for each class of securities and Statement of holding of securities **(Regulation 31)**	Within 21 days of the end of quarter
4	Compliance certificate to the stock exchange duly signed by compliance officer of the listed company and authorized representative of the share transfer agent **(Regulation 7(3))**	Within one month of the end of each half financial year
5	Certificate to the stock exchange from the Practicing Company Secretary certifying that all share certificates have been issued within 30 days from the date of its lodgment for transfer, sub divisions, consolidation, renewal, endorsement or exchange **(Regulation 40(9))**	Within one month of the end of each half financial year
6	Notice of Board Meeting to the Stock Exchange to consider the Annual Audited Financial Results **(Regulation 29(1)(a) and 29(2))**	At least 5 clear days before the Meeting excluding the date of meeting and notice
7	Press release for Board Meeting (Eng.+Hindi) **(Regulation 47(1(a))**	Simultaneously i.e. as above
8	Board Meeting to consider the Audited Financial Results for the financial year **(Regulation 33)**	Within 60 days form the end of Financial Year. Audited Financial results of last quarter along with the result of entire financial year along with a note that the figures of last quarter are the balancing figures in respect of the full financial year and the published year to date figures upto the third quarter

		of the current financial year. As a part of the financial results for every half year a statement of assets and liabilities shall be given by way of note.
9	Disclosure of Qtr. Result to SE along with Audit Report **(Regulation 30 and Schedule III(4))**	Within 30 minutes of Board Meeting
10	Publication of Qtr. Result (Eng.+Hindi) **(Regulation 47(3))**	Within 48 hours of Board Meeting
11	Every member of board of directors and senior management shall affirm compliance with the code of conduct. **(Regulation 26(3))**	Within 30 days from the end of financial year
12	CEO/ CFO compliance certificate **(Regulation 17(8))**	To the Board of Director at the time of approval of Annual Results.
13	Audit Report **(Regulation 33(3)(d))**	Within 60 days Along with the results and Form A/B

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

ROADMAP OF THE APPLICABILITY OF Ind-AS



NOTE: LISTING ON SME STOCK EXCHANGE NOT COVERED.

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