E-NEWSLETTER April, 2017

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: 2013

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

CS Ankur Srivastava
Editor

Dear Professional Colleagues & Friends,

We "The Professionals" are known for our higher set of discipline, ethics and values. Both the Government and Public look us with utmost respect and reliability. This has given us higher responsibility to shoulder. The onus lies on us to maintain our standard and to prove our contribution to the society through honesty and efficiency which ultimately contributes towards the progress of the Country.

"Ethics is to know the difference between what you have right to do and

What is right to do."

To follow the ethics is must for every Professional to maintain his own and the Status of the Profession. Whatever legacy we enjoys must have had hard work, commitment and suffering which we need to continue if we wish to maintain our standard and keep the flag of our profession high and flying. This brings the need of Ethics which are the set of standards which we professionals must carry out in our working. We should work with dignity and sincerity to build the image of our-self and the Profession.

We need to cultivate the Ethics in our habit which inturn becomes your Character and your Character will turn into your attitude and finally your Attitude will determine your destiny as rightly said by Albert Einstein-"*Try not to become a person of success, but rather try to become a person of values."*

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

Happy Reading.

CS Ankur Srivastava
Editor

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

STRIKE OFF OF COMPANIES

Short Summary:

In this Flash editorial, I begin by referring the provisions of section 248(1) of Companies Act, 2013 relating to Power of Registrar to remove name of company from register of companies. The main thrust of the article, however, is upon the effects of '***Show Cause Notices'*** (here after read as "SCN") issued by the Registrar of Companies (hereafter read as "ROC") to the companies for violation u/s 248(1) (not carrying on any business or operation for a period of two immediately preceding financial years).

CS Divesh Goyal

Introduction:

Thus Far, all ROC's has issued show cause notices to the Companies fallen u/s 248(1)(c). As extracts are of the notice are given below. As per notice ROC shall strike off the Company if appropriate reply not filed within 30 days and ROC will take appropriate action against the Directors. Many professionals have been raising question on interpretation/ provisions relating to strike off through Show Cause Notice, liability of director etc.

Extract of Show Cause Notice:

Extract of the show cause notice to the extent relevant for our discussion, are stated as under (with necessary comments and modifications, wherever felt necessary).

- Notice is hereby given that as per available records the company is not carrying on any business or operation for a period of 2 immediately preceding financial years and has not made any application within such period for obtaining the status of a dormant company u/s 455.

- WHEREAS if the company fails to submit the reply along with copies of the relevant documents, if any within a period of 30 days from the date of the notice, shall be published in the Gazette of India within a view to striking the name of the Company from the Registry. ***"However the directors of the Company shall be liable for appropriate action under the act."***

- This dissolution is subject to the provisions that the ***liability of every director and members of the Company shall continue*** and may be enforced as if the company has not been dissolved.

Statutory Provisions Contained Under the Act:

Provisions of the Companies Act, 2013 to the extent relevant for our discussion, are stated as under (with necessary comments and modifications, wherever felt necessary).

248 (1) Where the Registrar has reasonable cause to believe that—

a) a company has failed to commence its business within one year of its incorporation or;

b) a company is not carrying on any business or operation for a period of two immediately preceding financial years and has not made any application within such period for obtaining the status of a dormant company under section 455, he shall send a notice to the company and all the directors of the company, of his intention to remove the name of the company from the register of companies and requesting them to send their representations along with copies of the relevant documents, if any, within a period of thirty days from the date of the notice.

Questions occur by the Notice:

A. First Question came into mind after gone through the content of the 'SCN" is "What should be the First step of the Company after receipt of Show Cause Notice"?

Solution: As mention in notice Company have to reply within 30 days otherwise name of company shall be removed from the record of the MCA data base and appropriate action shall be taken against the directors of the Company.

As a result, First step after receipt of notice should be, filing of an appropriate reply with concerned ROC by point out the facts of non operational or non filing of ROC forms, intent of the Company either closure of the Company or continue the business of the Company etc.

While preparation of reply of the show causes notice one should be cautious as regards provisions of the Act and legal responsibility of the promoters/ directors after removal of name of the Company.

B. Second Question: What should be the steps if Company wants to continue its business oppression?

Solution: If Company wants to continue is business and revive itself then take the following steps:

i. File the suitable reply with the ROC by affirm the particulars for non filing of ROC forms for the period of (No. of years) years.

ii. Get ready and file the pending ROC forms with additional fees.

iii. Submit applications for the condonation of delay in filing of e-forms where ever mandatory.

C. Third Question: What should be the steps if Company wants to close the Company in other Words Company doesn't want to continue its business?

Solution: Many professionals have been raising question on ***Consequences'*** of closure of Company u/s 248(1). If considering the provisions under Companies Act subsequent below state questions come up in mind on the subject of consequences of strike off of Company u/s 248(1) by SCN.

a) Whether Director will be disqualified u/s 164 of Companies Act, 2013?

b) Whether office of director vacant u/s 167(1) of Companies Act, 2013?

c) Whether there is any penalty levy on the directors of the Company u/s 166 of Companies Act, 2013 due to non compliance of their duties?

d) What will be liabilities of members and directors as mention in the SCN?

A. Whether Director will be disqualified u/s 164(2) of Companies Act, 2013?

Extract of relevant portion of section 164(2): No person (who is or has been a director of a company) shall be eligible to be *re-appointed as a director of that company* or *appointed in other company for a period of five years* from the date on which the said company fails to filed financial statements or annual returns for any continuous period of three financial years.
Yes, as per the language of section 164(2) If Company fails to file annual forms for continue period of 3 years or more then directors become disqualify for appointment in another company.
One can opine that, even if company strike off by SCN u/s 248(1) directors turn out to be disqualifying for appointment and appropriate action against the director can be taken.

B. Whether office of director vacant u/s 167(1) (a) of CA, 2013?

Extract of relevant portion of section 167(1) (a): The office of a director shall become vacant in case he incurs any of the disqualifications specified in section 164.
As per the language of section 167(1) (a) if a director become disqualifies u/s 164 then his office as director in all the companies simultaneously vacant.
Consequently, One can opine that, due to disqualification as per question 'A' discussed above the office of such director in another companies also shall be consider as vacant and he shall be cease to continue as director in all the Companies.

C. Whether there is any penalty levy on the directors of the Company u/s 166 of Companies Act, 2013 due to non compliance of their duties?

Extract of relevant portion of section 166: (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company. (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.

As it is duties of the directors of the company to act in best interest of the Company, shareholders etc. It is duty of the directors to follow and comply with the provisions of Companies Act and other legal compliances.

Consequently, one can opine that, if a director fails to comply with his duties then he is liable for penalty u/s 166(7) i.e. 'fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.'

D. What will be liabilities of members and directors as mention in the SCN?

As mentioned in the Notice that "This dissolution is subject to the provisions that the ***liability of every director and members of the Company shall continue*** and may be enforced as if the company has not been dissolved"

Liability of Member:

Extract of relevant portion of Section 2(22): "company limited by shares" means a company having the liability of its members limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them;
Consequently, it is clear that liability of member is limited upto unpaid amount of share capital only. They can't be liable for any amount above then paid up capital.

Liability of Director:

Liability of Director already discussed above in question "C". However the liability of director is not restricted upto Section 166. As Director and an 'Officer who is in default' he is responsible for all the non compliances under the Companies Act, 2013.
Example: As per Section 129(2) 'At every annual general meeting of a company, the Board of Directors of the company shall lay before such meeting financial statements for the financial year" if director contravene these provisions he is answerable for the penalty under section 129(7). There are many more sections under the Act where specific penalties are given for the Directors.

In case of Viavi *Solutions India (P.) Ltd. v/s Registrar of Companies, NCT Delhi & Haryana,* NCLT has imposed penalty on directors of the Company for non compliance u/s 137 Copy of financial statement to be filed with ROC in e-form AOC-4 and u/s 92 copy of annual return to be filed with ROC in e-form MGT-7

CONCLUSION:

Hence, bearing in mind the provisions of Section 248 and read with other relevant provisions of Companies Act, 2013 and Show Cause Notices issued u/s 248(1), one can opine that in case of closure of Company by ROC on Suo Motto through this Notice then directors of the company shall be legally responsible for the non compliances, any unpaid debts of the Company etc.

In this editorial, I have endeavored to discuss the consequences of show cause notice issues under section 248(1). Although still there are several questions are unanswered like: a) Whether director will be ceases to appoint in any other companies' u/s 164(2) if yes upto what time? B) Whether Roc can issue show cause notice to director for compounding under various provisions of the Act. Etc.

Thus, it is worthwhile that, while preparation of reply of the show causes notice one should be cautious as regards provisions of the Act and legal responsibility of the promoters/ directors after struck off of the Company.

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

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.

USD / INR **Weekly Chart** **17/04/2017**

During last week, Open / High / Low / Close have been **64.3000 / 64.7250 / 64.2575 / 64.4600** (earlier week's closing **64.2660**). After opening at 64.3000 on 10th, the currency went up to 64.7250 (earlier week's high 65.1700) on 12th, from where it started correcting and after going down to 64.2575 (earlier week's low 64.1500), it finally closed at **64.4600**, being higher than last week's close. Thus, the movements have been in line with our expectations; however the currency could not move above 64.75, which was required for currency to move higher.

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

21DMA	64.92	**3 WMA**	64.52	**3 MMA**	65.33	**3 QMA**	65.75
30DMA	65.31	**5 WMA**	64.88	**5 MMA**	66.28	**5 QMA**	66.25
50DMA	65.94	**21WMA**	66.92	**21MMA**	66.67	**21QMA**	61.98
200DMA	66.95	**30WMA**	66.93	**30MMA**	65.54	**30QMA**	57.47

<u>Short / Medium Term View</u>

The following major technical facts may be observed:

i. **Daily RSI has moved above 30** after remaining below 30 for almost a month, however Weekly RSI is still below 30 and is at 26.77;

ii. The currency is running below **DSV1 (65.75)** and also below **DSV2 (64.49)** (though marginally), however is still above 200WMA (63.94) / 50MMA (63.47);

iii. Though the currency is running below the crucial levels of **8QMA (66.15) / 10QMA (65.51) / 13QMA (64.62),** however these averages are still in positive phase and thus **opportunity exists of currency bouncing back towards 10QMA (65.51) / 8QMA (66.15);**

iv. **Monthly Crossover signal is running negative;** besides Monthly & Quarterly MACD are also running below its averages.

Accordingly, we are of the view that Daily RSI, having decisively moved above 30, has given the **first signal of currency bottoming** and hence to start moving higher. Now, the currency may consolidate for 2-3 days more within 64.40 – 64.80 and then try to move above 5WMA (64.88). Once, it happens, the currency should move ahead and to start consolidating within 64.80 – 65.20 for next 5-8 days.

Please note that till, Weekly RSI remains below 30 (presently at 26.77) and below its average as well, it would be difficult for currency to move above 65.20 – 65.35 range on daily closing basis. As opined last week, major correction may start in stock markets from somewhere around mid-May’17 to June’17, which may at that time help in Rupee having slightly more depreciating bias.

Please further remember that **monthly crossover signal is running negative** since 31st Jan’17 onwards (**after running positive since Aug’11)**, and thus:

i. DSV1 (65.75) would continue to act as an important resistance during 6-9 weeks to be crossed. We would review for further action, once we reach that level.

ii. We do not see currency moving above 5QMA (66.25) so easily in medium term.

iii. Medium term targets in cases of upward retracements may not be met fully quite often; on the contrary, targets on the Rupee appreciating side may, most of the times, exceed than expected.

iv. Momentum for Rupee depreciation would always be smaller than that of Rupee appreciation.

Long Term Trend :

In view of Monthly Crossover signal running negative, long term trend would be towards Rupee appreciation (with volatility on both the sides). However, in view of the fact that our end 2017 targets of 65.50 to 65.00 +- 50 paisa have already been met, we now expect currency to consolidate within a bigger zone having a top somewhere in between 66 to 67. Once this expected top is made, it may be followed by 2^{nd} round of Rupee appreciation, wherein it would be possible to see rates below 64.00.

Dollar Index (100.4630): Dollar Index has moved below the trend line and also closed below 50DMA (100.70) making intermediate trend negative. Now, once & if it moves below 99.90, it may move lower towards 99.50 / 98.50. The major support to be watched then should be 50WMA (98.24), as its breaking would make Index long term negative. Till then, Dollar Index may continue consolidating within 100.50 – 99.50 – 98.50.

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,:

- **Stock markets** movements in next 2-3 months – likely to make a top around May or June’17 to be followed by good correction,
- **Annual Results** of Companies for year ending 31^{st} March’17
- **GARR** to be implemented w.e.f. 1^{st} April 2017
- Possibility of Rate increases by **Fed** during 2017 and consequent pause / rate increase by **RBI**
- Policies of **US President** Donald Trump – Syria / North Korea tension
- **Dollar Inde**x movements – volatility expected during next 6 months
- **Crude oil** price movements
- Movements in **Chinese Currency**
- Implementation of **GST** expected from 1^{st} July’17

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

Importers should continue to hedge medium term payables around current levels i.e. 64.40 – 64.60. Short term payables may be settled at market rates. Total hedging may be maintained around **35-40%** on **3 months** basis**.** For hedging after June'17 should, call option route may also be explored**.**

Exporters should start hedging medium term receivables in 6-8 instalments, once currency reaches around 64.80. Further, every sudden spike of 20-30 paisa should also be used for hedging. Once the currency reaches around 65.50, we should immediately review for hedging our next **6 months** receivables.

Please note that, **a different strategy for hedging** will have to be adopted now onwards, wherein we may have to change hedging %ages drastically almost every 2-3 months or so to avoid forex losses.

Major Resistances : 64.65 / 64.90 / 65.15 / 65.35

Major Supports : 64.35 / 64.15 / 63.90

Note: All the above rates are from Meta Stock

Regards,

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

Ministry of Corporate Affairs
Government of India

RULES/CIRCULARS/ NOTIFICATIONS ISSUED DURING THE PERIOD

Ref No.	Date	Description
S.O.(E)	13.04.2017	Notification – commencement of section 234 of Companies Act 2013
-	13.04.2017	Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2017 (1.6 MB)
-	12.04.2017	Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2017
-	07.04.2017	Companies (Registration of Charges) Amendment Rules, 2017 (3.8 MB)

IMPORTANT NOTICES NEW

1. CHG-1 and CHG-9 are being revised w.e.f. 22nd April 2017(Saturday). If the 'Type of Charge' is *'immovable property or any interest therein',* the location parameters (Latitude and Longitude) shall be mandatory. Stakeholders may take note and plan accordingly.

2. Forms INC-22, AOC-4 Addendum and SCP were recently revised on MCA21 Company Forms Download page. Stakeholders are advised to check the latest version before filing.

3. Form STK-2, application by company for removing its name from register of companies is available on MCA21 Company Forms Download page. Stakeholders are advised to plan accordingly.

Ministry of Corporate Affairs
Government of India

<u>AADHAR INTERRATION IN MCA</u>

MCA is actively considering Aadhaar Integration for availing various MCA21 related services.

All stakeholders viz. DIN holders/Directors/Key Managerial Personnel/Professionals of the Institute of Company Secretaries of India-Institute of Chartered Accountants of India-Institute of Cost Accountants of India (whether in employment or in practice) are requested to obtain Aadhaar as early as possible for integrating their details with MCA21 and also ensure that the information in Aadhaar is in harmony with PAN.

It is pertinent to mention that the details in the Aadhar Card should match with the details of your PAN.

<u>When implemented, all MCA21 services shall be available based on Aadhaar based authentication ONLY.</u> The date of Aadhaar integration with MCA21 would be announced shortly. Stakeholders are requested to plan accordingly on PRIORITY so as to avoid future inconvenience.

You are hereby requested to take this information in your list of priorities and plan accordingly .

Ministry of Corporate Affairs
Government of India

DISCLOSURE OF HOLDINGS AS WELL AS DEALINGS IN SPECIFIED BANK NOTES DURING THE PERIOD FROM 8TH NOVEMBER, 2016 TO 30TH DECEMBER, 2016

Ministry of Corporate Affairs has made amendment in Schedule III and also issued Companies (Audit and Auditors) Amendment Rules, 2017 to make it mandatory to disclose in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and Auditors has also to comment in their Auditor Report whether the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and if so, whether these are in accordance with the books of accounts maintained by the company.

Ministry of Corporate Affairs
Government of India

COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) AMENDMENT RULES, 2017

MCA has notified the amendments to **the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2017**. In the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, (hereinafter referred to as the principal rules) after Rule 25, Rule 25A has been inserted which provide for Merger or Amalgamation of a Foreign company with an Indian Company and vice versa after obtaining prior approval of Reserve Bank of India and after complying with the provisions of Sections 230 to 232 of the Act and these rules.

Further, MCA has issued Notification which states that the **Central Government appoints 13.04.2017 as the date on which the provisions of section 234 of the Companies Act, 2013 have been come into force.** Section 234 deals with the Merger and Amalgamation of company with foreign company.

Accordingly, the provisions of merger and amalgamation of a Foreign Company with an Indian Company and vice versa have been notified and implemented w.e.f. 13.04.2017.

Ministry of Corporate Affairs
Government of India

CLARIFICATION REGARDING ONLINE GENERATION OF CHALLANS FOR OFFLINE PAYMENT TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

MCA has issued Clarification regarding online generation of Challans for Offline payment to Investor Education and Protection Fund (IEPF). In terms of Investors Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 as notified on 05.09.2016, amount to IEPF can only transfer through Challans generated on MCA 21 portal. However it has been noticed that there are companies, which have transferred the amount to IEPF prior to 15.12.2016, through Challans not generated on MCA21 portal and these companies were/are unable to file IEPF1. To facilitate filing of eform IEPF1 by such companies can submit details of the Challans in prescribed format duly certified by the professional to IEPF Authority on email id challan.iepfa@mca.gov.in up to 20th May, 2017 only and no further relaxation shall be granted. Further, the submitted data shall be processed by the IEPF Authority and a Front Office service will be made available on IEPF website from 5th June, 2017 for a period of 30 days i.e. up to 5th July, 2017 to enable the companies to submit the required data online. An automated generated number will be provided by the MCA21 system on validation of entries and using this automated generated number as SRN, companies may file e-form IEPF-1 online & upload investor details without requirement of filing additional fees.

MANDATORY FILING OF FINANCIAL RESULTS IN XBRL MODE

In continuation to the Circulars to the companies dated November 30, 2015, March 11, 2016, March 16, 2016 and January 18, 2017 with regard to mandatory filing of information with the Exchange in electronic mode and with a view to making the disclosure more accurate and efficient, the Stock Exchange had mandated filing of the following Regulations in XBRL:-

1. Corporate Governance (Regulation 27)
2. Shareholding Pattern (Regulation 31)
3. Voting Results (Regulation 44)

It was observed that since the XBRL filing for the above mentioned regulations has been made mandatory, entities have been filing their SHP / Corporate Governance Report / Voting Results using XBRL. It was observed that although filing of Financial Results (Regulation 33) in XBRL was not mandatory, several companies have been filing their results in XBRL using the Excel Utility provided, which is an encouraging sign.

Accordingly, it has been decided that with effect from April 01, 2017 onwards, all listed entities with BSE, would be required to make their filings in respect of Financial Results (Regulation 33 and Regulation 52) in XBRL mode within 24 hours of submission of results in PDF mode. This requirement however, would not apply to Insurance Companies which can continue to make their filings for Financial Results in PDF mode only .

Financial Results are required to be submitted along with the Limited Review Report / Audit Report first, in PDF mode through the Listing Centre website – Corporate Announcement Filing System (CAFS) within 30 minutes of the conclusion of the Board Meeting.

This is required to be followed by filing of the result in XBRL mode within 24 hours from the conclusion of the Board Meeting.

For the above purpose, the Excel Utility for filing financial results in XBRL mode would be made available for download in the Listing Centre portal from April 03, 2017.

Please note that filing of Financial Results (Regulation 33 and Regulation 52) in other mode would be treated as non-submission and may attract penalties as prescribed by SEBI in the SOP circular dated November 30, 2016.

As stated earlier, BSE has provided a Helpdesk to assist Users with technical issues regarding their XBRL filings. The email queries may be addressed to bse.xbrl@bseindia.com . You may alternatively call the Helpdesk on toll free number 1800 233 0445.

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

UPDATES ON GOODS AND SERVICE TAX

PARLIAMENT PASSES 4 GST BILLS, JULY 1 ROLLOUT EXPECTED: India took a decisive step towards a possible July 1 rollout of the goods and services tax (GST) with Parliament on 6th April giving NOD to four related legislations that detail the provision of this single tax regime that will replace multiple state and central taxes to create one national market.

Finance minister Arun Jaitley said that once the new regime is implemented harassment of businesses by different authorities will end, and India will have one rate for one commodity throughout the country.

The new tax will usher in a uniform indirect tax regime in the country and not lead to inflation as apprehended by some sections, the minister said, winding up an eight-hour debate in the Rajya Sabha. Jaitley said successive governments have contributed towards GST and no one person can take credit for it.

"This bill, I have no hesitation in conceding, is a collective property", he said.

With implementation of GST, revenues of the Centre, states and the industry and trade must benefit, he said.

"On May 17-18 we will give final approval to rules and rates... Looks like it can be implemented from July 1", Jaitley told reporters after the Rajya Sabha cleared the Central GST Bill, 2017; The Integrated GST Bill, 2017; The GST (Compensation to States) Bill, 2017; and The Union Territory GST Bill, 2017. The bills were cleared by the Rajya Sabha after negation of a host of amendments moved by the opposition parties. The main opposition Congress did not move any amendment.

The Lok Sabha had passed these bills on March 29.

With the Parliament nod, the onus now shifts to states that will have to pass the state GST law in their respective state assemblies.

The Centre has already put out detailed rules for discussions for stakeholder consultations. The GST Council, the constitutional body created for this tax, will next month take up the last remaining issue of fitting individual goods and services to various tax rates.

The GST Council has approved a for rate structure 5%, 12%, 18% and 28% with most goods likely to fall in the 12% and 18% rate. In addition, a cess will be levied on luxury and sin goods as well.

The law provides for a maximum GST rate of 40% (20% central GST and 20% state GST).

Separately, the Lok Sabha on Thursday passed a bill to make excise and customs act compliant with GST. This bill seeks to do away with current cesses, which will be subsumed in the GST.

MANDATORY QUOTING OF AADHAAR FOR PAN APPLICATIONS & FILING RETURN OF INCOME

Section 139AA of the Income-tax Act, 1961 as introduced by the Finance Act, 2017 provides for mandatory quoting of Aadhaar / Enrolment ID of Aadhaar application form, for filing of return of income and for making an application for allotment of Permanent Account Number with effect from 1st July, 2017.

It is clarified that such mandatory quoting of Aadhaar or Enrolment ID shall apply only to a person who is eligible to obtain Aadhaar number. As per the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016, only a resident individual is entitled to obtain Aadhaar. Resident as per the said Act means an individual who has resided in India for a period or periods amounting in all to one hundred and eighty-two days or more in the twelve months immediately preceding the date of application for enrolment. Accordingly, the requirement to quote Aadhaar as per section 139AA of the Income-tax Act shall not apply to an individual who is not a resident as per the Aadhaar Act, 2016.

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

CBDT ISSUES PAN AND TAN WITHIN 1 DAY TO IMPROVE EASE OF DOING BUSINESS

In order to improve the Ease of Doing Business for newly incorporated corporates, CBDT has tied up with Ministry of Corporate Affairs (MCA) to issue Permanent Account Number (PAN) and Tax Deduction Account Number (TAN) in 1 day.

Applicant companies submit a common application form SPICe (INC 32) on MCA portal and once the data of incorporation is sent to CBDT by MCA, the PAN and TAN are issued immediately without any further intervention of the applicant. The Certificate of Incorporation (COI) of newly incorporated companies includes the PAN in addition to the Corporate Identity Number (CIN). TAN is also allotted simultaneously and communicated to the Company.

Till 31st March 2017, 19,704 newly incorporated Companies were allotted PAN in this manner. During March, 2017, of the 10,894 newly incorporated companies, PAN was allotted within 4 hrs in 95.63% cases and within 1 day in all cases. Similarly, TAN was allotted to all such companies within 4 hrs in 94.7 % cases and within 1 day in 99.73% cases.

CBDT's initiative in starting of a business is expected to significantly improve the ranking of India in the Ease of Doing Business Study conducted by World Bank by reducing the number of processes of registration before various authorities under law, reducing the time taken for allotment of the registration number (CIN, PAN, TAN) and making the entire registration process for new companies much simpler.

CBDT has also introduced the Electronic PAN Card (E-PAN) which is sent by email, in addition to issue of the physical PAN Card, to all applicants including individuals where PAN is allotted. Applicant would be benefited by having a digitally signed E-PAN card which they can submit as proof of identity to other agency electronically directly or by storing in the Digital Locker (https://digilocker.gov.in).

Income-tax Return Forms (ITR Forms) for the Assessment Year 2017-18

The Central Board of Direct Taxes has notified **Income-tax Return Forms (ITR Forms) for the Assessment Year 2017-18.** One of the major reforms made in the notified ITR Forms is the designing of a one page simplified ITR Form-1 (Sahaj). This ITR Form- 1(Sahaj) can be filed by an individual having income upto Rs.50 lakh and who is receiving income from salary one house property / other income (interest etc.) . Various parts of ITR Form-1 (Sahaj) viz. parts relating to tax computation and deductions have been rationalised and simplified for easy compliance.

Simultaneously, the number of ITR Forms have been reduced from the existing nine to seven forms. The existing ITR Forms ITR-2, ITR-2A and ITR-3 have been rationalized and a single ITR-2 has been notified in place of these three forms. Consequently, ITR-4 and ITR-4S (Sugam) have been renumbered as ITR-3 and ITR-4 (Sugam) respectively. There is no change in the manner of filing of ITR Forms as compared to last year. However, where return is furnished in ITR- 1 (Sahaj) or ITR-4 (Sugam), an individual of the age of 80 years or more at any time during the previous year or an individual or HUF whose income does not exceed five lakh rupees and who has not claimed any refund in the return of income shall have an option to file return in paper form.

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

<u>PRACTITIONERS NOT TO USE PREFIXES LIKE MR/ MS/ MRS/ M/S IN THE TITLE OF LEGAL PROCEEDINGS</u>

The Bombay High Court has issued a circular directing the **<u>practitioners not to use prefixes like Mr/ Ms/ Mrs/ M/s in the title of legal proceedings</u>**. The circular, is in pursuance of the observation by Justice GS Patel while hearing an arbitration case, that for companies, both private limited and public – practitioners are habituated to affixing the abbreviation ‘M/s’ before the name of the entity, which is completely incorrect. The judge had observed that a company is not a firm, and the prefix is only ever used for a firm and that in the title of legal proceedings, no prefixes are ever to be permitted, and, for that matter, prefixes ‘Mr/ Ms/ Mrs’ are also not to be used. The Section Officer concerned and clerk of centralized filing and lodging department, while scrutinizing the pleadings, shall verify the compliance of the aforementioned directions scrupulously.

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

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

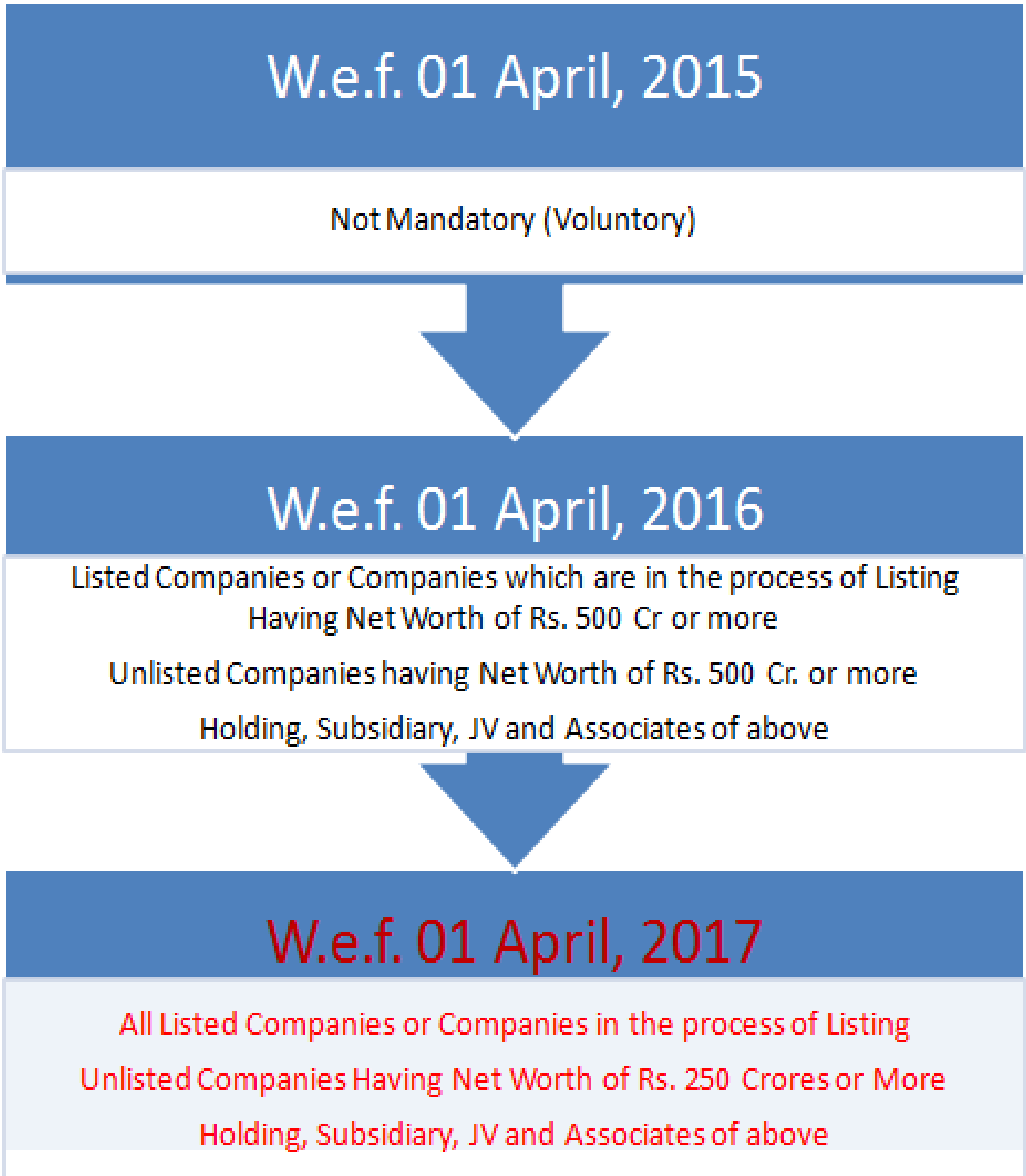
Compliance to be done in the Month of April to June:

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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