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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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WEEKLY UPDATES

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The Institute of Cost Accountants of India

(Statutory body under an Act of Parliament)

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INDUSTRY

➔ **Manufacturing PMI edges higher to 50.7 in May 2016**

Manufacturing output in India grew at its slowest pace in five months in May, suggesting that the sector is “barely improving” The seasonally adjusted Nikkei India Manufacturing Purchasing Managers Index edged higher in May, posting 50.7 compared with 50.5 in April. “The headline PMI remained in expansion territory, but recorded one of its lowest readings since the end of 2013, suggesting that the sector is barely improving,” said the survey released.

Read more at: <http://economictimes.indiatimes.com/news/economy/indicators/manufacturing-pmi-edges-higher-to-50-7-in-may-2016/articleshow/52532980.cms>

➔ **Services sector growth hits 6-month low in May**

India's service sector output sputtered to its slowest pace of growth in six months in May, a private survey showed. The Nikkei Services Business Activity Index fell to 51 from 53.7 in April, suggesting a slackening of services activity for the second straight month. A reading above 50 on the index denotes expansion.

A survey on manufacturing activity by the same organization showed that factory output had slipped to a five month low in May. "Although service providers remained optimistic that output will expand in the year ahead, the level of confidence was the lowest recorded since February," the survey said.

It said that services companies expect output to increase over the next one year, but the degree of optimism has weakened to the lowest since February.

Read more at: <http://economictimes.indiatimes.com/news/economy/indicators/services-sector-growth-hits-6-month-low-in-may/articleshow/52579105.cms>

➔ **April core sector output at 8.5% rising for 5th straight month**

Core sector production continued on its positive trajectory for the fifth straight month, with April growth accelerating the fastest in 17 months at 8.5%, giving further confidence in an economy that in the March quarter reiterated its position as the fastest expanding in the world. Core sector output has been growing steadily from December, with monthly readings being 0.9%, 2.9%, 5.7% and 6.4%, respectively, through March. Output had shrunk 0.2% in April last year.

Read more at: <http://economictimes.indiatimes.com/news/econ>

<http://economictimes.indiatimes.com/news/economy/indicators/growth-cheer-april-core-sector-output-at-8-5-rising-for-5th-straight-month/articleshow/52521651.cms>

➔ **April industrial production has contracted 0.80% as against a growth of 3% a year ago**

The Index of Industrial Production (IIP) for the month of April came in at a disappointing (-)0.8%. This implies that industrial production has contracted 0.80 per cent in April as against a growth of 3 per cent a year ago.

This is the first IIP contraction in three months. The IIP had registered a growth of about 2 per cent in February this year. The provisional estimates of 0.1 per cent growth in March this year was revised slightly upwards to 0.3 per cent. The IIP declined by 1.6 per cent this January. The General Index for the month of April 2016 stands at 176.4. The cumulative growth for the period April-March 2015-16 over the corresponding period of the previous year stands at 2.4 per cent.

Read more at: <http://www.financialexpress.com/article/economy/april-iip-data-live-industrial-growth-data-released-today/280456/>

➔ **Indirect tax collection soars 37 % in April-May**

Indirect tax collections rose by about 37 per cent during April-May compared to the same period of the last fiscal.

"The indirect tax growth rate for the first two months of current FY is 36.7 per cent with additional revenue measures (ARM) and 14 per cent without ARM," Revenue Secretary Hasmukh Adhia tweeted. Indirect tax revenue include collections from excise, customs and service tax. He, however, did not provide absolute numbers of indirect tax revenue.

Finance Minister Arun Jaitley has pegged indirect tax collection target at Rs 7.78 lakh crore in 2016-17, up 9.7 per cent from Rs 7.09 lakh crore actual collections of the previous fiscal.

Read more at: <http://economictimes.indiatimes.com/news/economy/finance/indirect-tax-collection-soars-37-in-april-may/articleshow/52677217.cms>

➔ **FIPB clears FDI proposals worth Rs 710 crore**

Foreign Investment Promotion Board (FIPB) approved four FDI proposals entailing overseas investment of about Rs 710 crore. The proposals approved included Advanced Enzyme Technologies' foreign investment worth Rs 480 crore, a Finance Ministry official said. The Board also cleared proposals of Corona Remedies, Macmillan Publishers International and Ordain Health Care Global. The FIPB, headed by Economic Affairs Secretary Shaktikanta Das,

considered 14 investment proposals. Three proposals, which were rejected included that of Flag Telecom Singapore Pte Ltd and Star Den Media Services Pvt Ltd. Also, eight proposals, including that of IBM India Ltd, were deferred.

Read more at: <http://economictimes.indiatimes.com/news/economy/policy/fipb-clears-fdi-proposals-worth-rs-710-crore/article-show/52690601.cms>

➤ India's per capita income rises 7.4% to Rs 93,293

India's per capital income rose by 7.4 per cent to Rs 93,293 in 2015-16, compared to Rs 86,879 in the preceding fiscal, government data showed.

"The per capita income at current prices during 2015-16 is estimated to have attained a level of Rs 93,293 as compared to the First Revised Estimate for the year 2014-15 of Rs 86,879 showing a rise of 7.4 per cent," as per data on Provisional Estimates of Annual National Income and Quarterly Estimates of Gross Domestic Product 2015-16.

Read more at: <http://economictimes.indiatimes.com/news/economy/indicators/indias-per-capita-income-rises-7-4-to-rs-93293/articleshow/52524152.cms>

➤ Govt meets 3.9% FY16 fiscal deficit target, total expenditure at Rs 17.73 lakh cr

The Centre's fiscal deficit stood at Rs 5.32 lakh crore or 3.9 per cent of GDP in FY16, marginally lower than the revised estimate (RE) of Rs 5.35 lakh crore.

The Centre achieved the fiscal deficit target of 3.9 per cent of GDP in FY16, the Controller General of Accounts reported validating the government's claim earlier. The Centre's fiscal deficit stood at Rs 5.32 lakh crore or 3.9 per cent of GDP in FY16, marginally lower than the revised estimate (RE) of Rs 5.35 lakh crore.

Faced with a low nominal GDP growth and shortfall in disinvestment revenue, the government had taken a number of measures, including a series of hikes in excise duty on petrol and diesel, to boost revenue. After transfers to states, the tax revenue stood at Rs 9.44 lakh crore or 99.7 per cent of the RE in FY16. Total revenue stood at Rs 12.4 lakh crore, or 99.2 per cent of the RE of Rs 12.5 lakh crore. The total expenditure in the last fiscal year was Rs 17.73 lakh crore or 99.3 per cent of the RE, according to the CGA data.

Read more at: <http://indianexpress.com/article/business/economy/govt-meets-3-9-fy16-fiscal-deficit-target-total-expenditure-at-rs-17-73-lakh-cr-2828162/>

➤ Forex reserves continue to slide, fall to \$360.2 billion

The country's foreign exchange reserves declined by \$711.6 million to \$360.193 billion in the week to May 27 due to fall in foreign currency assets, Reserve Bank of India said. In the previous week, the reserves had fallen by \$121.3 million to \$360.905 billion.

Foreign currency assets, which are a major component of the overall reserves, declined by \$711.9 million to \$336.227 billion in the week under review, central bank data showed. Foreign currency assets, expressed in dollar terms, include the effect of appreciation/depreciation of non-US currencies such as the euro, pound and yen held in the reserves. Gold reserves remained unchanged at \$20.043 billion.

Read more at: economictimes.indiatimes.com/news/economy/finance/forex-reserves-continue-to-slide-fall-to-360-2-billion/articleshow/52573613.cms

➤ GDP at 7.6%, India's growth points to fastest growing large economy

India's GDP numbers for quarter January-March stood at 7.9 per cent as against 7.3 per cent in October-December, thereby making it the fastest growing economy in the world.

India's gross domestic product (GDP) grew 7.6 per cent in 2015-16, powered by a rebound in farm output, and an improvement in electricity generation and mining production in the fourth quarter of the fiscal. Economic growth was estimated at 7.2 per cent in 2014-15. The growth numbers for the last fiscal, which reinforces India's position as the world's fastest-growing large economy, came on the back of a strong 7.9 per cent growth in the last quarter of the fiscal.

Read more at: <http://indianexpress.com/article/business/economy/gdp-7-9-percent-its-official-india-is-now-the-fastest-growing-economy-in-the-world/>

BANKING

➤ Refinancing of Project Loans

In reference to circular DNBS. (PD).CC.No.371/03.05.02/2013-14 dated March 21, 2014, issued by Department of Non-Banking Supervision on Early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders: Framework for Revitalizing Distressed Assets in the Economy.

In view of the references received from NBFCs and on the lines of instructions contained in circulars, DBOD.BP.BC.No.98/21.04.132/2013-14 dated February 26, 2014 and DBOD.BP.BC.No.31/21.04.132/2014-15 dated August 07, 2014 issued by the Department of Banking Operations and Development on

Framework for Revitalizing Distressed Assets in the Economy - Refinancing of Project Loans, Sale of NPA and Other Regulatory Measures and Refinancing of Project Loans, respectively, it has been decided that similar instructions on refinancing of projects loans be extended to NBFCs also.

Accordingly, NBFCs may refinance any existing infrastructure and other project loans by way of take-out financing, without a pre-determined agreement with other lenders, and fix a longer repayment period, the same would not be considered as restructuring if the following conditions are satisfied:

- i. Such loans should be 'standard' in the books of the existing lenders, and should have not been restructured in the past;
- ii. Such loans should be substantially taken over (more than 50% of the outstanding loan by value) from the existing financing lenders;
- iii. The repayment period should be fixed by taking into account the life cycle of the project and cash flows from the project.

For existing project loans where the aggregate exposure of all institutional lenders is minimum Rs 1,000 crore, NBFCs may refinance such loans by way of full or partial take-out financing, even without a pre-determined agreement with other lenders, and fix a longer repayment period, and the same would not be considered as restructuring in the books of the existing as well as taking over lenders, if the following conditions are satisfied:

- i. The project should have started commercial operation after achieving Date of Commencement of Commercial Operation (DCCO);
- ii. The repayment period should be fixed by taking into account the life cycle of and cash flows from the project, and, Boards of the existing and new lenders should be satisfied with the viability of the project. Further, the total repayment period should not exceed 85% of the initial economic life of the project / concession period in the case of PPP projects;
- iii. Such loans should be 'standard' in the books of the existing lenders at the time of the refinancing;
- iv. In case of partial take-out, a significant amount of the loan (a minimum 25% of the outstanding loan by value) should be taken over by a new set of lenders from the existing financing lenders; and
- v. The promoters should bring in additional equity, if required, so as to reduce the debt to make the current debt-equity ratio and Debt Service Coverage Ratio (DSCR) of the project loan acceptable to the NBFCs.

Source: Notification No. RBI/2015-16/417 [DNBR.CC.PD. No.082/03.10.001/2015-16] dated: June 02, 2016

Read more at: https://www.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=10434

➔ RBI has announced Second Bi-monthly Monetary Policy Statement

Reserve Bank of India Governor Raghuram Rajan has announced the Second Bi-monthly Monetary Policy Statement for the year 2016-17. This time he keeps repo rate unchanged at 6.5%, reverse repo rate stays at 6.00 %, and CRR remains at 4%. Marginal standing facility (MSF) rate and the Bank Rate at 7.0 %.

Read more at: https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=37151

➔ Cyber Security Framework in Banks

Underlining the urgent need to put in place a robust cyber security/resilience framework at banks and to ensure adequate cyber - security preparedness among banks on a continuous basis, RBI issued circular RBI/2015-16/418, DBS.CO/CSITE/BC.11/33.01.001/2015 -16, dated 2nd June, 2016 to all Scheduled Commercial Banks on Cyber Security Framework in Banks.

Source: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10435&Mode=0>

➔ RBI hikes foreign holding limit to 74% in Yes Bank

Reserve Bank increased the foreign holding limit to 74 per cent of the paid-up capital in Yes Bank under the portfolio investment scheme. Foreign Institutional Investors (FIIs)/Registered Foreign Portfolios Investors (RFPIs) can now invest up to 74 per cent from from the existing 60 per cent of the paid-up capital of Yes Bank under the Portfolio Investment Scheme (PIS), the Reserve Bank said in a release. The RBI said the total foreign investment from all sources in the private sector Yes Bank shall not exceed 74 per cent.

Read more at: <http://economictimes.indiatimes.com/news/economy/policy/rbi-hikes-foreign-holding-limit-to-74-in-yes-bank/articleshow/52691678.cms>

CUSTOMS

➔ CBEC adds new ports in EP notifications to allow import/export under EP schemes from these ports vide *Notification No. 36/2016-Cus, dt. 01-06-2016*.

Read more at: <http://www.cbec.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfn-2016/cs-tarr2016/cs36-2016.pdf>

➔ Anti-dumping duty on PTFE from Russia

CBEC imposed definitive anti-dumping duty on Polytetrafluoroethylene (PTFE) [Tariff Item 3904 61 00], originating in or

exported from Russia, for a period of five years (unless revoked, superseded or amended earlier) vide *Notification No. 23/2016-Cus (ADD)*, dt. 06-06-2016.

Read more at: <http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-add2016/csadd23-2016.pdf>

➤ **Anti-Dumping Duty on Porcelain tiles extended to New Shippers**

On application by certain new suppliers of porcelain tiles from the People's Republic of China, the DG (Anti-Dumping) had undertaken 'new shipper review' in respect of the prices at which the tiles were supplied by these entities. Under notification 35/2012-Customs (ADD) these supplies were provisionally assessed to anti-dumping duty pending the result of the review. The DG (Anti-Dumping) has notified the results of his review, which recommended extension of the anti-dumping duty to the new suppliers also.

Accordingly the central government has issued notification 24/2016-Customs (ADD) dated 7 June 2016, directing the customs formations to finalise the assessments with anti-dumping duty:

<http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-add2016/csadd24-2016.pdf;jsessionid=CC40612DB1BF8B29CF2BA893A3ADD8F9>

At the same time, the central government has, under notification 25/2016-Customs (ADD) dated 7 June 2016, rescinded the notification number 35/2012-Customs (ADD) under which the provisional assessment had been ordered.

See: <http://cbec.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-add2016/csadd25-2016.pdf>

➤ **Form of application for a Licence under Public Warehousing Licensing Regulations, 2016 / Private Warehousing Regulations, 2016 / Special Warehousing Regulations, 2016**

Circular number 26/2016-Customs, dated 9 June 2016 prescribes the format for applying for a warehouse licence

Read full notification at: <http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2016/circ26-2016cs.pdf>

➤ **CBEC issues fresh instructions regarding Import of Precious Metals**

Procedure to be followed by nominated agencies importing gold/silver/platinum under the scheme for 'Export Against Supply by

Nominated Agencies' vide *Circular No. 27/2016-Customs*, dated: 10th June 2016.

Read more at: <http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2016/circ27-2016cs.pdf>

➤ **Requirement of Solvency Certificate for the purposes of Private Warehouse Licensing Regulations 2016**

Regulation 3 (1) (c) of the Private Warehouse Licensing Regulations, 2016 requires an applicant to furnish a solvency certificate from a scheduled bank for an amount to be specified by the Principal Commissioner / Commissioner of Customs.

While making an application for licensing of a private bonded warehouse, an applicant (importer) shall be required to indicate the maximum amount of duty involved on the goods proposed to be stored in the private bonded warehouse at any point of time. CBEC has decided that for the purposes of uniformity, the Principal Commissioners / Commissioners of Customs shall require that the importer furnish a solvency certificate from a scheduled bank equivalent to the aforesaid amount of duty involved.

However, where the applicant is the Central Government, State Government or a Union Territory administration or their undertakings, there will be no need to obtain any solvency certificates.

In the case of EoUs / EHTP / STPI units, there will be no need to obtain any solvency certificate, as the conditions regarding furnishing of bank guarantee/security are specified in chapter 6 of the Foreign Trade Policy.

Source: *Circular No. 24 /2016 - Customs*, dated: 2nd June 2016

Read more at: <http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2016/circ24-2016cs.pdf>

➤ **Manner of payment of interest on warehoused goods**

Section 61 of the Customs Act, 1962 had been amended vide the Finance Act, 1994 whereby the interest payable with respect to warehoused goods was to be calculated with reference to the duty payable at the time of clearance of the goods from the warehouse. This was clarified through Circular no 31/96-Customs dated 07.06.1996.

However, noting the high inventory of goods lying in bonded warehouses, with the consequential effect of locking revenue, the Board had vide Circular 47/2002-Customs dated 29th July 2002, prescribed that interest due in terms of section 61 should be collected before allowing extensions, with a view to encourage early clearances. This led to importers having to deposit interest and seek refunds in the event of interest not being payable, for exam-

ple in cases where goods were finally exported. In certain industries, the Board had relaxed the above condition for extending the warehousing period but prescribed that a demand notice should be served upon the importer and the same decided upon clearance of the goods, i.e. when the liability became determinable (Para 7 of Circular 10/2006-Customs dated 14th Feb 2006).

The extant circulars have been reviewed by the Board with a view towards simplification of processes and promoting the ease of doing business.

In order to secure revenue and discourage protracted duty deferment arising due to warehousing, the Board has prescribed conditions for furnishing of security by importers vide circular 21/2016-Customs dated 31.05.2016. The said circular also specifies the amount (which is a percentage of the sum of duty and interest) of bank guarantee that would have to be furnished before allowing an extension in warehousing period. In continuation of the earlier dispensation, certain industries have been exempted from furnishing of such security.

In view of having prescribed the requirement of furnishing a bank guarantee as security, it has been decided by the Board that henceforth there would be no requirement of payment of interest prior to allowing extensions of warehousing period nor would there be any need to issue a demand for payment of interest. Interest, if any, shall be paid at the time of ex-bonding of the goods from the warehouse.

Read more at: <http://www.cbec.gov.in/resources/htdocs-cbec/customs/cs-circulars/cs-circulars-2016/circ23-2016cs.pdf>

Source: Circular No. 23/2016 -Customs, dated: 1st June 2016

➤ **Tariff Notification**

Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seeds, Gold and Silver.

Source: Notification No. 78/2016-Cus (NT), dt. 31-05-2016

Read more at: <http://www.cbec.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-nt2016/csnt78-2016.pdf>

➤ **Rate of exchange of conversion of the foreign currency**

Rate of exchange of conversion of the foreign currency with effect from 3rd June, 2016 vide Notification No. 80/2016-Cus (NT), dt. 02-06-2016.

Read full notification at: <http://www.cbec.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-nt2016/csnt80-2016.pdf>

CENTRAL EXCISE

➤ **Indirect Tax Dispute Resolution Scheme Rules, 2016**

In exercise of the power conferred by sub-sections (1) and (2) of section 218 of the Finance Act, 2016, (28 of 2016), the Central Government hereby makes the following rules, namely Indirect Tax Dispute Resolution Scheme Rules, 2016.

Form of declaration under sub section (1) of section 214 and manner of verification of such declaration in respect the amount payable:

- (1) The declaration under sub section (1) of section 214 of the Scheme shall be made in Form 1 in respect of the amount payable under the Scheme.
- (2) The declaration under sub section (1) of section 214 shall be verified in the manner indicated therein and shall be signed by the person making such declaration or by any person competent to act on his behalf.
- (3) The declaration under sub-rule (1) shall be furnished in duplicate to the designated authority.
- (4) The designated authority, on receipt of declaration, shall issue a dated acknowledgement thereof in Form 2 as per sub section (1) of section 214 within seven days of the receipt of declaration.
- (5) Copy of the declaration made under sub-rule (1) and the acknowledgement issued by the designated authority under sub-rule (4) shall be furnished within fifteen days of the receipt of acknowledgement by the declarant to the concerned Commissioner (Appeals) before whom the appeal in respect of which the declaration has been made is pending.
- (6) On the receipt of the declaration and acknowledgement, Commissioner (Appeals) shall not proceed with the appeal in respect of which the declaration has been made for a period of sixty days from the date of receipt of information under sub-rule (5).

Form of reporting deposits made by declarant under sub-section (3) of section 214 :

- (1) Declarant shall, within fifteen days of the receipt of acknowledgement under sub-rule (4) of rule 3, deposit the amounts.
- (2) Declarant shall, within seven days of making the deposit, intimate the designated authority about the deposit made under sub-section (3) of section 214 in Form 3.

Form of order under sub-section (4) of section 214:

- (1) The designated authority shall, within fifteen days of receipt of the information about the deposit made under sub-section (3) of section 214, in Form 3, issue the order of discharge of dues in respect of the declaration made under sub section (1) of section 214 in Form 4.
- (2) The declarant shall intimate the concerned Commissioner (Appeals) along with the copy of the order of discharge of dues

issued by the designated authority under sub-rule (1) before the expiry of the period of sixty days specified in sub-rule (6) to rule 3.

(3) On the receipt of the information along with the copy of the order of discharge of dues issued by the designated authority, Commissioner (Appeals) shall remove the appeal from the list of pending appeals with him and intimate the declarant within seven days of the receipt of information under sub-rule (2).

Read more at: <http://www.cbec.gov.in/resources//htdocs-cbec/ex-cise/cx-act/notifications/notfns-2016/cx-nt2016/cent29-2016.pdf>

Source: Notification No 29/2016-CE(NT) dated: 31st May, 2016

SERVICE TAX

➤ Extent of payment of service tax by a business entity as a recipient of services provided by senior advocates prescribed

CBEC seeks to amend notification No. 30/2012-Service Tax dated 20th June, 2012, so as to prescribe extent of payment of service tax by a business entity as a recipient of services provided by senior advocates vide Notification No. 34/2016-Service Tax dt. 06-06-2016.

Read more at: <http://www.cbec.gov.in/resources//htdocs-ser-vicetax/st-notifications/st-notifications-2016/st34-2016.pdf>

➤ Legal services provided by senior advocates to a business entity with a turnover up to rupees ten lakh in the preceding financial year exempted

The central government has exempted service tax on services provided by senior advocates to business entities with annual turnover of less than ten lakh rupees. This has been done by amending entry (6) in notification 25/2012-ST, by notification 32/2016-ST dated 6 June 2016.

Read more at: <http://www.cbec.gov.in/resources//htdocs-ser-vicetax/st-notifications/st-notifications-2016/st32-2016.pdf>

➤ CBEC amended Service Tax Rules, 1994 so as to specify the business entity as the person liable to service tax in respect of services provided by senior advocates vide Notification No. 33/2016-Service Tax dt. 06-06-2016.

Read more at: <http://cbec.gov.in/resources//htdocs-servicetax/st-notifications/st-notifications-2016/st33-2016.pdf>

➤ Accounting code for payment of Krishi Kalyan Cess

Read more at: <http://www.cbec.gov.in/resources//htdocs-ser-vicetax/st-circulars/st-circulars-2016/st-circ-194-2016-revised.pdf>

INCOME TAX

➤ Procedure for Form 15G and Form 15H simplified

The existing provisions of section 197A of the Income-tax Act, 1961 (The Act) inter alia provide that tax shall not be deducted, if the recipient of certain payment on which tax is deductible furnishes to the payer a self declaration in Form No. 15H/15H in accordance with provision of the said Section. The manner at filing such declarations and the particulars have been laid down in Rule 29C of the Income-tax Rules, 1962 (The Rules) w.e.f. 01.10.2015 vide Notification No. 76/2015 dated 29.09.2015.

As per sub-rule (2) and (8) of rule 29C of the rules notified vide aforesaid notification, the Principal Director General of Income Tax (Systems) is required to specify the procedures, formats and standards for the purposes of furnishing and verification of declaration and allotment of Unique Identification Number in pursuance of the same. Principal Director General of Income tax (Systems) has issued Notification No. 04/2015 dated 1st December 2015 to notify the procedure formats and standards.

Representations have been received for clarification on the following issues:

(a) Due date for quarterly uploading of 15G/H declarations by payers on e-filing portal.

(b) The manner for dealing with Form 15G/15H received by payer during the period from 01.10.2015 to 31.03.2016.

In this regard, it is hereby specified that:

(a) The due date for quarterly furnishing 15G/15H declarations received by payer from 01.04.2016 onwards shall be as given below:

Sl. No.	Date of ending of the quarter of the financial year	Due Date
(1)	(2)	(3)
1	30th June	15th July of the Financial Year
2	30th September	15th October of the Financial Year
3	31st December	15th January of the Financial Year
4	31st March	30th April of the Financial Year immediately following the financial year in which declaration is made.

(b) The payer shall furnish 15G/15H declarations received during the period from 01.10.2015 to 31.03.2016 on e-filing portal (<http://incometaxindiaefiling.gov.in>) in the given format on or before 30th June, 2016.

Source: CBDT - Notification No 9/2016, dated: 09th June, 2016

Read more at: http://www.incometaxindia.gov.in/communications/notification/notification92016_n.pdf

➔ Cost Inflation Index for F.Y. 2016-17

Government has vide Notification No. 42/2016 [F.No. 142/5/2016-TPL] dated 2nd June, 2016, notified cost inflation index for F.Y. 2016-17 at 1125.

Read more at: <http://www.incometaxindia.gov.in/communications/notification/notification422016.pdf>

➔ Amendment in Rule 8D vide Income-tax (14th Amendment) Rules, 2016

In exercise of the powers conferred by section 295 read with sub-section (2) of section 14A of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following rules further to amend the Income-tax Rules, 1962, namely : the Income-tax (14th Amendment) Rules, 2016.

In the Income-tax Rules 1962, in rule 8D,-

(I) for sub-rule (2), the following sub-rule shall be substituted, namely:-

“(2) The expenditure in relation to income which does not form part of the total income shall be the aggregate of following amounts, namely:—

- (i) the amount of expenditure directly relating to income which does not form part of total income; and
- (ii) an amount equal to one per cent of the annual average of the monthly averages of the opening and closing balances of the value of investment, income from which does not or shall not form part of total income:

Provided that the amount referred to in clause (i) and clause (ii) shall not exceed the total expenditure claimed by the assessee.”;

(II) sub-rule (3) shall be omitted.

Source: Notification No. 43/2016 [F.No. 370142/7/2016-TPL], dated: 2nd June, 2016

Read more at: <http://www.incometaxindia.gov.in/communications/notification/notification432016.pdf>

➔ Amendment in Section 206C vide Finance Act 2016 - Clarifications

Section 206C of the Income-tax Act, 1961 (hereafter referred to

as ‘Act’), prior to amendment by Finance Act, 2016, provided that the seller shall collect tax at source at specified rate from the buyer at the time of sale of specified items such as alcoholic liquor [or human consumption, tender leaves, mineral being coal or lignite or iron ore etc. It also provided for collection of tax at source at the rate of one per cent on sale in cash of bullion exceeding 2 lakh rupees and jewellery exceeding 5 lakh rupees.

In order to reduce the cash transactions in sale of goods and services, Finance Act 2016 has expanded the scope of section 206C (ID) to provide that the seller shall collect tax at the rate of one per cent from the purchaser on sale in cash of any goods (other than bullion and jewellery) or providing of any services (other than payment on which tax is deducted at source under Chapter XV II-B) exceeding two lakh rupees. So far as sale of Jewellery and bullion is concerned, the provisions of sub-section (1 D) of section 206C prior to its amendment by the Finance Act, 2016 shall continue to apply. Further, with a view to bring high value transactions within the tax net, it has been provided in sub-section (1 F) of section 206C of the Act that the seller who receives consideration for sale of a motor vehicle exceeding ten lakh rupees, shall collect one per cent of the sale consideration as tax from the buyer. Any person who obtains in any sale, the goods of the nature specified in sub-section (1D) or (1F) of section 206C is a buyer.

The seller for the purposes of collection of tax under section 206C shall be –

- (i) A Central Government or a state Government,
- (ii) Any local authority, or corporation or authority established under any Central, State or Provincial Act,
- (iii) Any company, firm or cooperative society,
- (iv) An individual or Hindu undivided family who is liable to audit as per provisions of section 44AB during the financial year immediately preceding the financial year in which the goods are sold or the services are provided.

The amendments brought in section 206C by Finance Act, 2016 are applicable from 1st June 2016.

In this regard a number of queries have been received about the scope of the provisions and the procedure to be followed. The board has considered the same and decided to clarify the points raised by issue of a circular in the form of questions and answers as follows:

Question I: Whether tax collection at source (“TCS”) at the rate of 1 % is on sale of Motor Vehicle at retail level or also on sale of motor vehicles by manufacturers to dealers/distributors.

Answer: To bring high value transactions within the tax net, section 206C of the Act has been amended to provide that the seller

shall collect the tax at the rate of one per cent from the purchaser on sale of motor vehicle of the value exceeding ten lakh rupees. This is brought to cover all transactions of retail sales and accordingly it will not apply on sale of motor vehicles by manufacturers to dealers/distributors.

Question 2: Whether TCS at the rate of 1 % is on sale of Motor Vehicle is applicable only to Luxury Cars?

Answer: No, As per sub section (I F) of Section 206C of the Act the seller shall collect the tax at the rate of one per cent from the purchaser on sale of any motor vehicle of the value exceeding ten lakh rupees.

Question 3: Whether TCS at the rate of 1 % is applicable in the case of sale to Government Departments, Embassies, Consulates and United Nation Institutions for sale of motor vehicle or any other goods or provision of services?

Answer: Government, institutions notified under United Nations (Privileges and Immunities) Act 1947, and Embassies, Consulates, High Commission, Legation, Commission and trade representation of a foreign State and shall not be liable to levy of TCS at the rate of 1 % under sub-section (1 D) and (I F) of section 206 C of the Act.

Question 4: Whether TCS is applicable on each sale of motor vehicle or on aggregate value of sale during the year?

Answer: Tax is to be collected at source at the rate of 1 % on sale consideration of a motor vehicle exceeding ten lakh rupees. It is applicable to each sale and not to aggregate value of sale made during the year. This can be explained by way of an illustration:

Illustration: Motor vehicle worth 20 lakh is sold and for which payments are made in installments, one at the time of booking and the other at the time of delivery. At the time of booking 5 lakh rupees are paid and 15 lakh rupees are paid at the time of delivery. Tax at the rate of 1 % on 5 lakh rupees at the time of booking and at the rate of 1 % on remaining 15 lakh rupees at the time of delivery shall be collected at source.

Similar will be the position with regard to collection of tax at source under sub-section (1 D) of section 206C.

Question 5: whether TCS at the rate of 1 % on sale of motor vehicle is applicable in case of an individual?

Answer: The definition of "Seller" as given in clause (c) of the Explanation below subsection (II) of section 206C shall be applicable in the case of sale of motor vehicles also Accordingly, an individual who is liable to audit as per the provisions of section 44AB of the Act during the financial year immediately preceding the financial year in which the motor vehicle is sold shall be liable for collection

of tax at source on sale of motor vehicle by him.

Question 6: How would the provisions of TCS on sale of motor vehicle be applicable in a case where part of the payment is made in cash and part is made by cheque?

Answer: The provisions of TCS on sale of motor vehicle exceeding ten lakh rupees is not dependent on mode of payment. Any sale of Motor Vehicle exceeding ten lakh would attract TCS at the rate of 1%.

Question 7: As per section 206C (1D) , tax is to be collected at source at the rate of 1 % if sale consideration received in cash exceeds 2 lakh rupees whereas as per section 206C(1F) tax is to be collected at source at the rate of 1 % of the sale consideration of a motor vehicle exceeding 10 lakh rupees. Whether TCS will be made under both sub-section (1D) and (1F) of the section 206C @ 2%, where part of the payment for purchase of motor vehicle exceeds 2 lakh rupees in cash?

Answer: Sub-section (1 F) of the section 206C of the Act provides for TCS at the rate of 1% on sale of motor vehicle of value exceeding 10 lakh rupees. This is irrespective of the mode of payment. Thus if the value of motor vehicle is 20 lakh rupees , out of which 5 lakh rupees has been paid in cash and balance amount by way of cheque, the tax shall be collected at source at the rate of 1 % on total sale consideration of 20 lakh rupees only under sub-section (I F) of section 206C of the Act. However, if a vehicle is sold for 8 lakh rupees and the consideration is paid in cash, tax shall be collected at source at the rate of 1 % on 8 lakh rupees as per sub-section(1 D) of section 206C of the Act.

Read more at: <http://www.incometaxindia.gov.in/communications/circular/circular222016.pdf>

Source: CBDT, Circular No 22/ 2016, dated: 8th, June 2016

SEBI

➔ Investor Protection Fund (IPF) of Depositories

The Depository System Review Committee (DSRC) had examined various aspects of the depository IPF including utilization and investment policy of IPF and quantum of funds to be transferred to Investor Protection Fund

The Expert Committee on Clearing Corporations also deliberated the issue with regard to quantum of funds to be transferred by the Depositories to their IPF.

SEBI (Depositories and Participants) (Amendment) Regulations, 2012 require every depository to establish and maintain an Investor Protection Fund (IPF).

Pursuant to the aforesaid committee recommendations, the SEBI (Depositories and Participants) Regulations were amended mandating the depositories to credit five per cent or such percentage as may be specified by the Board, of its profits from depository operations every year to the IPF.

Based on recommendations of DSRC and Expert Committee on Clearing Corporations, the following guidelines are being issued with regard to IPF of the Depositories.

Utilization of the IPF

The IPF may be utilized for the following purposes with a focus on depository related services:

- i. Promotion of investor education and investor awareness programmes through seminars, lectures, workshops, publications (print and electronic media), training programmes etc. aimed at enhancing securities market literacy and promoting retail participation in securities market.
- ii. To aid, assist, subsidise, support, promote and foster research activities for promotion/ development of the securities market.
- iii. To utilize the fund for supporting initiatives of Depository Participants for promotion of investor education and investor awareness programmes.
- iv. To utilize the fund in any other manner as may be prescribed/ permitted by SEBI in the interest of investors.

Depositories shall frame their internal guidelines on utilization of the funds in accordance with the aforementioned objectives and post approval of their board, submit the same to SEBI within 30 days from the date of this circular. Depositories shall also keep SEBI informed of any subsequent changes in internal guidelines with regard to utilization of IPF.

Constitution and Management of the IPF

The IPF shall be administered by way of a Trust created for the purpose.

- i. The IPF Trust shall consist of atleast one Public Interest Director (PID) of the depository, one person of eminence from an academic institution from the field of finance / an expert in the field of investor education / a representative from the registered investor associations recognized by SEBI and Managing Director of the Depository.
- ii. The Depository shall provide the secretariat for the IPF Trust.
- iii. The Depository shall ensure that the funds in the IPF are kept in a separate account designated for this purpose and that the IPF is immune from any liabilities of the Depository.

Contribution to the IPF

The following contributions shall be made by the Depository to the IPF :

- i. 5% of their profits from Depository operations every year. The depositories shall transfer the amount with effect from the Financial Year 2012-13 as specified in the SEBI (Depositories and Participants) (Amendment) Regulations, 2016.
- ii. All fines and penalties recovered from Depository Participants and other users including Clearing Member pool account penalty as specified in SEBI circular no. SMDRP/Policy/Cir-05/2001 dated February 01, 2001.
- iii. Interest or Income received out of any investments made from the IPF.
- iv. Funds lying to the credit of IPR (Investor Protection Reserve) / BOPF (Beneficial Owners Protection Fund) of the Depository or any other such fund / reserve of the Depository shall be transferred to IPF.
- v. Any other sums as may be prescribed by SEBI from time to time.

Investments of Fund

Funds of the Trust shall be invested in instruments such as Central Government securities, fixed deposits of scheduled banks and any such instruments which are allowed as per the investment policy approved by the Board of the Depository. The investment policy shall be devised with an objective of capital protection along with highest degree of safety and least market risk.

The balance available in the IPF as at the end of the month and the amount utilized during the month including the manner of utilization shall be reported in the Monthly Development Report of the Depository.

The Depositories shall implement the provisions of this circular within three months from the date of issuance of this circular.

Source: Circular - SEBI/HO/MRD/DP/CIR/P/2016/58, dated: June 07, 2016

Read more at: http://www.sebi.gov.in/cms/sebi_data/attach-docs/1465305439512.pdf

Know Your Client (KYC) norms for ODI subscribers, transferability of ODIs, reporting of suspicious transactions, periodic review of systems and modified ODI reporting format

In terms of the SEBI (Foreign Portfolio Investors) Regulation, 2014 (FPI Regulations) and circulars issued from time to time regarding ODI, the Foreign Portfolio Investors (FPIs) issuing ODIs (hereinafter referred to as ODI Issuers) are required to comply with the conditions for issuance of ODIs.

The systems and procedures adopted by the ODI Issuers to comply with such conditions vary from one ODI Issuer to another. In order to bring about uniformity and increase the transparency in this regard, SEBI had held discussions with the stakeholders. Taking into consideration the inputs received during the discussion process, SEBI Board in its meeting held on May 19, 2016 decided

that ODI Issuers shall be guided by the following provisions with regard to the norms relating to the issuance and transfer of ODIs:

• **Applicability of Indian KYC/AML norms for Client Due Diligence**

SEBI vide circular no.CIR/IMD/FIIC/20/ 2014 dated November 24, 2014 had aligned the applicable eligibility and investment norms of FPI regime with norms applicable for subscription through the ODI route. With regards to KYC of ODI subscribers, ODI Issuers shall now be required to identify and verify the beneficial owners (BO) in the subscriber entities, who hold in excess of the threshold as defined under Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 i.e. 25 % in case of a company and 15 % in case of partnership firms/ trusts/ unincorporated bodies.

ODI issuers shall also be required to identify and verify the person(s) who control the operations, when no beneficial owner is identified based on the aforesaid materiality threshold.

It is clarified that:-

(a) The definition of the term “Beneficial Owner” shall be as per sub-rule (3) of Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005.

(b) The KYC documentation to be obtained by ODI Issuers from each of such ODI subscribers in respect of beneficial owner who holds above the threshold limits.

(c) The materiality threshold to identify the beneficial owner should be first applied at the ODI subscriber level and look through principle shall be applied to identify the beneficial owner of the material shareholder/ owner entity. Only beneficial owner with holdings equal & above the materiality thresholds in the subscriber need to be identified through the aforesaid look through principle. In such cases, identity and address proof as specified in Annexure (I) enclosed with this circular, should be obtained.

(d) Where no material shareholder/owner entity is identified in the ODI subscriber using the materiality threshold (referred above at 2.1), the identity and address proof of the relevant natural person who holds the position of senior managing official of the material shareholder/owner entity should be obtained (as given in Annexure (I) enclosed with this circular).

(e) ODI Issuer shall ensure that any transfer of offshore derivative instruments issued by or on its behalf is carried out subject to the following conditions:

i. such offshore derivative instruments are transferred only to persons in accordance with Regulation 22 (1) of SEBI (Foreign Port-

folio Investors) Regulations, 2014 ; and

ii. prior consent of the foreign portfolio investor is obtained for such transfer, unless the person to whom the offshore derivative instruments are to be transferred to are pre-approved by the foreign portfolio investor.

Necessary changes in Regulation 22(2) of SEBI (FPI) Regulations, 2014 are separately being carried out.

(f) The ODI issuers shall be required to maintain with them the KYC documents as prescribed above at all times and should be made available to SEBI on demand.

• **KYC Review**

The KYC review shall be done on the basis of the risk criteria as determined by the ODI issuers, as follows:

(a) At the time of on-boarding and once every three years for low risk clients.

(b) At the time of on-boarding and every year for all other clients. It is clarified that in case of existing ODI Subscriber, the KYC review should be done within three years for low risk clients and one year for all other clients from the effective date of this circular and accordingly reported in revised ODI reporting format

• Suspicious Transactions Report - ODI Issuers shall be required to file suspicious transaction reports, if any, with the Indian Financial Intelligence Unit, in relation to the ODIs issued by it.

• Reporting of complete transfer trail of ODIs - Presently, the details of the holder of ODIs have to be mandatorily reported to SEBI on a monthly basis. The ODI issuers are also required to capture the details of all the transfers of the ODIs issued by them and these can be made available to SEBI on demand. The Board decided that in the monthly reports on ODIs all the intermediate transfers during the month would also be required to be reported.

• Reconfirmation of ODI positions - ODI Issuers shall be required to carry out reconfirmation of the ODI positions on a semi-annual basis. In case of any divergence from reported monthly data, the same should be informed to SEBI in format provided.

• Periodic Operational Evaluation - ODI Issuers shall be required to put in place necessary systems and carry out a periodical review and evaluation of its controls, systems and procedures with respect to the ODIs. A certificate in this regard should be submitted on an annual basis to SEBI by the Chief Executive Officer or equivalent of the ODI Issuer. The said certificate should be filed within one month from the close of every calendar year.

Source: Circular CIR/IMD/FPI/C/59/2016, dated: June 10, 2016

Read more at: http://www.sebi.gov.in/cms/sebi_data/attach-docs/1465796415786.pdf

FEMA

Foreign Exchange Management (Foreign currency accounts by a person resident in India) Regulations, 2015

In exercise of the powers conferred by Section 9 and clause (e) of sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), and in supersession of Notification No. FEMA 10/2000-RB dated May 3, 2000, as amended from time to time, the Reserve Bank of India makes the following regulations for opening, holding and maintaining of Foreign Currency Accounts and the limits up to which amounts can be held in such accounts by a person resident in India, namely the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2015.

Restriction on holding foreign currency account by a person resident in India:-

Save as otherwise provided in the Act or rules or regulations made there under, no person resident in India shall open or hold or maintain a foreign currency account:

Provided that a Foreign Currency Account held or maintained before the commencement of these Regulations by a person resident in India with special or general permission of the Reserve Bank, shall be deemed to be held or maintained under these Regulations:

Provided further that the Reserve Bank, may on an application made to it, permit a person resident in India to open or hold or maintain a Foreign Currency Account, subject to such terms and conditions as may be considered necessary.

Read full notification at: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10444&Mode=0>

Source: Notification No. FEMA 10 (R) /2015-RB, dated: January 21, 2016 (Amended up to June 01, 2016)

Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Amendment) Regulations, 2016

In exercise of the powers conferred by Section 9 and clause (e) of sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regu-

lations, 2015 [Notification No. FEMA 10(R)/2015-RB dated January 21, 2016], namely the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Amendment) Regulations, 2016.

Amendment to Regulation 5

A. The existing sub-regulation (E) shall be re-numbered as (F).
B. In the re-numbered regulation (F), the existing sub-regulation (3) shall be substituted by the following namely:

“Insurance/reinsurance companies registered with Insurance Regulatory and Development Authority of India (IRDA) to carry out insurance/reinsurance business may open, hold and maintain a Foreign Currency Account with a bank outside India for the purpose of meeting the expenditure incidental to the insurance/reinsurance business carried on by them and for that purpose, credit to such account the insurance/reinsurance premia received by them outside India.”

C. After the existing sub-regulation (D), the following shall be inserted namely:-

“(E) Accounts in respect of Startups

An Indian startup or any other entity as may be notified by the Reserve Bank in consultation with the Central Government, having an overseas subsidiary, may open a foreign currency account with a bank outside India for the purpose of crediting to it foreign exchange earnings out of exports/ sales made by the said entity and/ or the receivables, arising out of exports/ sales, of its overseas subsidiary.

Provided that the balances in the account shall be repatriated to India within the period prescribed in Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 dated January 12, 2016, as amended from time to time, for realization of export proceeds.

Explanation: For the purpose of this sub-regulation a ‘startup’ means an entity which complies with the conditions laid down in Notification No. G.S.R 180(E) dated February 17, 2016 issued by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.”

Amendment to Schedule 1

In Paragraph 1, in sub-paragraph (1), after the existing clause (vi), the following shall be inserted namely:-

“(vii) Payments received in foreign exchange by an Indian startup, or any other entity as may be notified by the Reserve Bank in consultation with the Central Government, arising out of exports/ sales made by the said entity or its overseas subsidiaries, if any.

Explanation: For the purpose of this schedule a ‘startup’ means an entity which complies with the conditions laid down in Notification No. G.S.R 180(E) dated February 17, 2016 issued by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.”

Source: Notification No. FEMA 10 (R)/(1)/2016-RB, dated: June 01, 2016

Read more at: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10441&Mode=0>

COMPANY LAW

➔ **Relaxation of additional fees and extension of time for filing of e-Forms by the Companies under Companies Act, 2013 and for filing of Annual Return (Form 11) by the LLPs under the Limited Liability Partnership Act,2008**

In continuation of this Ministry’s General Circular No.03/2016 dated 12.04.2016 and General Circular No.06/2016 dated 16.05.2016, keeping in view requests received from various stakeholders, it has been decided to extend the period for which the one time waiver of additional fees is applicable to all eforms which are due for filing by companies between 25.03.2016 to 30.06.2016 as well as extend the last date for filing such documents and availing the benefit of waiver to 10.07.2016.

Further, in view of the requests received from stakeholders, it has been decided to extend the time limit prescribed under the provisions of section 35 of LLP Act, for filing of Form 11 of LLP in respect of Financial Year ending on 31.3.2016 upto 30.06.2016, without additional fees.

Source: Circular No. 07/2016 [F.No. MCA/ 21/33/2016-e-Gov cell] dated: 30/31.05.2016

Read more at: http://www.mca.gov.in/Ministry/pdf/GeneralCircular07_31052016.pdf

➔ **Limited Liability Partnership (Second Amendment) Rules 2016**

In exercise of the powers conferred by sub-sections (1) and (2) of section 79 of the Limited Liability Partnership Act, 2008 (6 of 2009), the Cental Govelnment hereby makes the following rules further to amend the Limited Liability Partnership Rules, 2009 namely: Limited Liability Partnership (Second Amendment) Rulet 2016.

Read more at: http://www.mca.gov.in/Ministry/pdf/LLP_Second_Amendment_Rules_2016.pdf

➔ **Corporate Affairs Ministry again extends statutory filing deadline amid MCA21 woes**

Extending the deadline for the third time, Corporate Affairs Ministry has now given time till July 7 for companies to submit their statutory filings as issues related to MCA21 portal are yet to be fully resolved. MCA21 is used for making electronic filings under the Companies Act and is managed by Infosys for the ministry. The Ministry has extended the filing deadline for the third time in less than two months.

Initially, the extension was till May 10 and later the deadline was fixed for June 10. Giving more time, the Ministry has extended the time limit for making the requisite filings under the companies law to July 10.

Read more at: <http://economictimes.indiatimes.com/news/economy/policy/corporate-affairs-ministry-again-extends-statutory-filing-deadline-amid-mca21-woes/articleshow/52556624.cms>

➔ **Companies (Authorised to Register) Amendment Rules, 2016**

In exercise of the powers conferred by sub-sections (1) and (2) of section 469 read with section 366 of the Companies Act, 2013 (18 of 2013), Central Government hereby makes the following rules further to amend the Companies (Authorised to Registered) Rules, 2014 namely the Companies (Authorised to Register) Amendment Rules, 2016.

In rule 3 of the principal rules, in sub-rule(2),-

(i) clause (a),-

(A) in sub-clause (i), for the words “were partners of the Limited Liability Partnership”, the words “were partners of the Limited Liability Partnership or firm as the case may be” shall be substituted;

(B) in sub-clause (iv), for the words “addresses of the partners of the Limited Liability Partnership”, the words “addresses of the partners of the Limited Liability Partnership or firm as the case may be” shall be substituted;

(C) for sub-clause (v) the following sub-clause shall be substituted namely:-

“(v) in case of a firm, deeds of partnership, bye laws or other instrument constituting or regulating the company and duly verified in the manner provided in sub-rule (4) and in case the deed of partnership was revised at any time in the past, copies of the principal and all subsequent deeds including the latest deed, along with the certificate of the registration issued by Registrar of firms, in case the firm is registered”.

Read the full notification at: http://www.mca.gov.in/Ministry/pdf/NotificationOrder_01062016.pdf



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