



Brahmayya Bulletin

January 2016

Editorial

The New Year has arrived. This is the time to see things in new perspective. To make 2016 your year, keep it simple; Count your blessings first; Whatever you did last year, Do it better; Go step by step, One day at a time; Create your own opportunities; Believe in your abilities at all times; Quitting is not an option. Keep Going and Finish what you started.

Securities and Exchange Board of India started the New Year with a circular on procedures for ensuring compliances by Listed Stock Exchanges. The Circular appears to be an effort to smoothen compliances with and to make the Securities Contracts Regulations robust.

Furthermore, an attempt has been made by SEBI by way of issuance of FAQ on SEBI LODR 2015, in order to bring more clarity with respect to the revised listing norms.

CBEC has come up with procedures for e-payment of refund/rebate which is a significant step contributing to Digital India initiative of Government and also a step towards ease of doing business. Additionally, CBDT, which has by notification prescribed more additional features to facilitate Electronic Verification Code for e-filed Income Tax return.

This year will be shaping our economy in more than one way.

GST may finally become a reality this year and it will be a big step towards long pending tax reform.

Also there is lot of industry expectations on the upcoming Budget 2016. With this newborn optimism, let us strive towards building a stronger nation.

Wishing all the readers a very Happy and Prosperous New Year!

“If you think in terms of a year, plant a seed; if in terms of ten years, plant trees; if in terms of 100 years, teach the people.” - Confucius

Policy Directive order Instruction Update Clarification
Ministry of Corporate Affairs Circular
Rule Enactment Notification Guideline
Framework Update Policy Instruction
Central Board of Direct Taxes
Order Notification Regulation Instruction
Notice Circular Update Notification
Central Board of Excise and Customs
Directive Order Notification Enactment
Pronouncement Announcement Framework Rule
Foreign Exchange Management Act
Instruction order Clarification Directive Interpretation
Institute of Chartered Accountants of India
Circular Order Clarification Directive Framework
Reserve Bank of India Notification
Announcement Framework Clarification
Notification Order Rule
Instruction Order
Framework Circular
Update

Ministry of Corporate Affairs (MCA)

Circular No. 01/2016 – Dated 12th January 2016

MCA issued Frequently Asked Questions (FAQs) with regard to Corporate Social Responsibility (CSR) under section 135 of Companies Act, 2013 for facilitating effective implementation of CSR. While complying with the CSR provisions of the Act, Board of the eligible companies are empowered to appraise and approve their CSR policy including CSR projects or programmes or activities to be undertaken.

Circular No. 02/2016 – Dated 15th January 2016

MCA has clarified that a HUF or its Karta cannot become Partner or Designated Partner in LLP.

S.O. 125(E) – Dated 13th January 2016

The Ministry of Corporate Affairs has notified sub-section (5), sub-section (6) (except with respect to the manner of administration of the Investor Education and Protection Fund) and sub-section (7) of section 125 of the Companies Act, 2013 w.e.f. 13th January, 2016.

Also, Investor Education and Protection Fund Authority Rules 2016 have been notified which contains provisions regarding Composition of authority/functions of authority/Meetings etc.

S.O. 218(E) – Dated 22nd January 2016

By this notification, Central Government has established a Central Registration Centre (CRC)

having territorial jurisdiction all over India, for discharging or carrying out the function of processing and disposal of applications for reservation of names under the provisions of the Companies Act 2013. The CRC shall function under the administrative control of Registrar of Companies, Delhi, who shall act as the Registrar of the CRC until a separate Registrar is appointed to the CRC. MCA has accordingly notified the Companies (Incorporation) Amendment Rules, 2016 and new form INC-1 has been provided.

Central Board of Direct Taxes (CBDT)

Notification No. 1/2016 - Dated 19th January 2016

Vide this notification, CBDT has prescribed two additional modes for Electronic Verification CODE (EVC) for electronically filed Income Tax Return, in addition to EVC prescribed vide earlier Notification No. 2/2015 dated 13th July 2015. The new modes are the Bank Account and Demat Account with CDSL/ NSDL of the assessee at the time of uploading of return and generating EVC. These facilities will be provided to the assessee under Profile Settings menu in e-Filing website. All other condition shall remain same as specified and the mode and process for generation and validation of EVC and its use can be modified, deleted or added by the Principal DGIT (System)/ DGIT (System).

Central Board of Excise and Customs (CBEC) - Excise

Circular No.1013/1/2016-CX - Dated 12th January 2016

The present procedure for payment of refund/rebate entails paperwork/manpower deployment by claimant and delay in payment of refunds.

In order to speed up the transfer of fund directly to beneficiary's bank account after sanction of the refund/rebate claim and thereby promote ease of doing business, CBEC has come up with procedures for e-payment of refund/ rebate to be implemented by all field formations.

Securities and Exchange Board of India (SEBI)

CIR/MRD/DSA/01/2016 – Dated 1st January 2016

To protect the interests of investors in securities and to promote the development of, and to regulate the securities market SEBI issued this circular regarding the procedures for ensuring compliance with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations) by Listed Stock Exchanges. It prescribed the modalities so as to ensure compliance with the provisions of SECC Regulations relating to ensuring holding of 51% by public at all times by the listed stock exchange, ensuring that all shareholders are fit and proper, ensuring that shareholders holding shares above 2 % are fit and proper, ensuring shareholding threshold of 5% or 15% as the case may be in terms of SECC Regulations. The stock exchanges and depositories shall ensure that aforesaid mechanism be in place latest by March 31, 2016.

SEBI/LAD-NRO/GN/2015-16/29 – Dated 11th January 2016

SEBI has notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations

2016 to amend the definition of 'associate' under securities norms for Stock Exchanges / Clearing Corporation, excluding from therein

- Director/Partner who is also a director of first person or its subsidiary or holding company, or
- partner of the first person as the case maybe, and company under the same management of the first person.

The amendment brings in the discretion of Board as a factor of scoping in as "Associate".

Foreign Exchange Management Act (FEMA)

FED Master Direction No.4/2015-16 – Dated 1st January 2016

RBI has issued Master Direction on Compounding of Contraventions under FEMA, 1999. The provisions of section 15 of Foreign Exchange Management Act, 1999, permit compounding of contraventions and, as such it empowers the Reserve Bank to compound any contravention as defined under section 13 of the FEMA, 1999, except the contraventions under section 3 (a) of FEMA, 1999, on an application made by the person committing such contravention. Foreign Exchange (Compounding Proceedings) Rules, 2000 (the Rules), as amended from time to time, lays down the basic framework for the compounding process. This Master Direction are the compilation of instructions issued on "Compounding of Contraventions under FEMA, 1999" by the RBI.

FED Master Direction No. 15/2015-16 – Dated 1st January 2016

RBI has issued Master Direction on Direct Investment

Investment by Residents in Joint Venture / Wholly Owned Subsidiary Abroad. Direct investments by residents in Joint Venture and Wholly Owned Subsidiary abroad are being allowed, in terms of the provisions of Foreign Exchange Management Act, 1999, read with Notification No. FEMA.120/RB-2004 dated July 7, 2004, (GSR 757 (E) dated November 19, 2004), viz. Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004. Instructions issued on Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad have been compiled in this Master Direction.

Reserve Bank of India (RBI)

Circular No. RBI/2015-16/281 and DBR.Dir.BC.No.70/13.03.00/2015-16 – Dated 7th January 2016

RBI has notified Non-Fund Based Facility to Non-constituent Borrowers of Bank, thus allowing non-fund based facilities including Partial Credit Enhancement (PCE) to those customers, who do not avail any fund based facility from any bank in India, subject to the prescribed conditions.

Circular No. RBI/2015-16/283 DBR.No.FID.FIC 5/01.02.00/2015-16 – Dated 7th January 2016

RBI has amended the Master Circular on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by FIs.

DBR.IBD.BC.74/23.67.001/2015-16 – Dated 21st January 2016

RBI has issued an amended circular on Gold Monetisation Scheme, 2015.

The depositors will be able to withdraw medium term and long term government deposits prematurely after the minimum lock-in period of three years in the case of medium term deposits and after five years in the case of long term deposits. However, there will be penalty in the form of lower rate of interest for premature withdrawals depending upon the actual period for which the deposit has run. In the case of large tenders of gold, gold can be deposited directly with refiners wherever they have the assaying capacity. This will reduce the time lag between the time the raw gold is deposited and it starts bearing interest. It is also clarified that Government will pay the participating banks a total commission of 2.5% (1.5% handling charges and 1% commission) in the first year.

CHENNAI

48, Masilamani Road,
Balaji Nagar, Royapettah,
Chennai - 600014.
Phone: +91- 044 - 28131128/38/48
Fax: +91 - 28131158

BENGALURU

Khivraj Mansions, 10/2 Kasturba Road,
Bangalore - 560001.
Phone: +91 - 080 - 22274551/52
Fax: +91 - 22212437

VISAKHAPATNAM

1-88-19, Plot No: 135/4,
Sector 4, MVP Colony,
Visakhapatnam 530 017
Phone: (0891) 2755821 & 2755848,
Fax: (0891) 2755848

GUNTUR

10-3-21, 3rd Lane,
Sambasivapet, Guntur - 522001.
Phone: +91- 863 - 2220347/2224924
Fax: +91 - 2220347

TANUKU

22-29/5 Gubbalavari Street,
Society Road, Tanuku - 534211.
Phone: +91 - 8819 - 221234/224 911

HYDERABAD

No 403&404, Golden
Green Apartments,
Erra Manzil Colony,
Hyderabad - 500082.
Phone: +91- 040 - 23370002/04
Fax: 23379 988

GURGAON (New Delhi)

404, DLF City Court,
Sikandarpur, Mehrauli_Gurgaon Road
(MG Road), Gurgaon,
Haryana - 122002
Phone : +91 - 0124 - 4235 522

VIJAYAWADA

No 33-25-33/3, Govinda
Rajulu Naidu Street,
Surya Rao Pet,
Vijayawada - 520010.
Phone: +91 - 866 - 2444592/93/94

KAKINADA

3-16C-40/1, 8th Road, Santhi Nagar,
Kakinada - 5330003.
Phone: +91 - 884 - 2374402/04
Fax: +91 - 2374402, 2363 656

ADONI

142/6, Sri Krishnadevaraya Colony,
Adoni - 518301.
Phone: +91 - 8512 - 253 447/222 377
Fax: +91 - 253 447

Brahmayya&co.

www.brahmayya.com