



Brahmayya Bulletin

September 2016

Editorial

September, one of the most crucial months for all business entities, be it tax compliance, filing of returns under various statutes or reporting under the accounting framework. While the corporates continue to exhibit its readiness, the much awaited Presidential assent has been received for GST Law, which firms up the dual system tax code for State as well as Central Government. The draft rules have been laid out and one more round of effective compliance awaits. GST is welcomed by one section as it eases multiple tax compliance structure, the debate continues on whether it eases the objective of doing business.

CBDT notifies the Income Computation and Disclosure Standards (ICDS) to be followed by all assesses, (other than Individuals and HUF who are not required to get their accounts audited under section 44AB of the Act) following mercantile system of accounting which shall apply to Assessment Year 2017-18 and suitable amendments have been made to Form 3CD to effect compliance of reporting.

The repercussions expected to be created are to be time tested. While challenges awaits, business entities are positive. In the coming months, we could expect further clarifications, FAQ's and continuous debates on these subjects. Continue to follow our news bulletin and "Our News" Section for regular updates.

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)

G.S.R. 908(E) – Dated 23rd September 2016

The following key amendments are made to the Companies (Management and Administration) Rules, 2014:

- a. Register of members maintained under the Companies Act, 1956 shall be transferred to the new register of members in Form No.MGT-1 and in case additional information, required as per provisions of the Act and these rules, is provided by the members, such information may also be added in the register as and when provided
- b. Form No. MGT-4 & MGT-5 is not required to be filed in duplicate
- c. Every Listed Company shall file Form No. MGT-10 with respect to changes in the shareholding position of promoters and top ten shareholders of the company, in each case, representing increase or decrease by 2% of the paid-up share capital of the company, within fifteen days of such change.
- d. Minute books of the General Meeting shall be kept only at registered office of the Company

SO 2922(E) – Dated 12th September, 2016

The ministry has amended the Part 2, Section 2 of Schedule V of the Companies Act, 2013 which deals with the remuneration payable to managerial person by company having No profits or inadequate profits without the approval of central government. This notification doubles the remuneration payable to managerial person..

But remuneration of managerial person acting in professional capacity can be paid without any limit subject to certain conditions.

Central Board of Direct Taxes (CBDT)

Circular No. 32 of 2016 - Dated 1st September 2016

CBDT has clarified that in case of a search or survey operation carried out under Section 132 or 133A of the Income Tax Act, any document found as a proof for having already filed a declaration under the Income Declaration Scheme, including acknowledgement issued by the Income-tax Department for having filed a declaration, no enquiry would be made in respect of source of undisclosed income or investment in movable or immovable property declared.

Circular No. 34 of 2016 - Dated 21st September 2016

CBDT has clarified that where a declaration is made under the Income Declaration Scheme, 2016 for years not under assessment on an identical issue which is pending assessment under section 143(3)/147 and the person offers to pay interest and tax on such pending assessment year, the person shall be treated as having “co-operated in an enquiry” within the meaning of Section 273A and Principal Commissioners or Commissioners are advised to take a lenient view on receipt of valid application and reduce or waive penalty.

Notification No. 87/2016 - Dated 29th September 2016

CBDT notifies the Income Computation and Disclosure Standards to be followed by all assesses,

(other than Individuals and HUF who are not required to get their accounts audited under section 44AB of the Act) following mercantile system of accounting, for the purposes of computation of income chargeable to income-tax under the head “Profits and gains of business or profession” or “Income from other sources”. This notification shall apply to AY 2017-18 and subsequent Assessment years.

Notification No. 88/2016 - Dated 29th September 2016

CBDT has amended Clause 13(d) of Part B of Form 3CD to facilitate adjustments made to P&L for complying with the provisions of Income Computation and Disclosure Standards to be followed by certain assesses. This notification shall come into force from 1st April, 2017.

Central Board of Excise and Customs (CBEC) – Central Excise

Notification No. 44/2016 - Central Excise (N.T.) - Dated 16th September, 2016

CBEC has amended the conditions and procedure for rebate of duty on excisable goods used in the manufacture of export goods, by amending Form A.R.E.2. Going forward, there can be a combined application for

- a. removal of goods for export under claim for rebate of duty paid on excisable materials used in the manufacture and packing of such goods and
- b. removal of dutiable excisable goods for export under claim for rebate of finished stage Excise Duty or under bond without payment of duty

Notification No. 45/2016 - Central Excise (N.T.) - Dated 20th September, 2016

This notification amends Cenvat Credit Rules, 2004 which requires enclosing photocopies of the railway receipts (RRs) with the service tax certificate for transportation of goods.

Notification No. 46/2016 - Central Excise (N.T.) - Dated 26th September, 2016

Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable and Other Goods) Rules, 2016 are amended, consequent to which the manufacturer can now execute a general bond with security also instead of surety.

Circular No. 1046/34/2016-CX - Dated 16th September, 2016

Presently exemption from excise duty on inputs is denied in cases where goods cleared into DTA are either non excisable or in case of imports attract Nil rate of custom duty, when goods manufactured by EOU are supplied to advance license / authorisation holder in DTA. This circular has clarified that manufactured goods supplied by EOU to an advance license / authorisation holder would be exempt from Excise Duty.

Central Board of Excise and Customs (CBEC) – Service Tax

Notification No. 43/2016 – ST - Dated 28th September, 2016

Form ST-3 has been amended to give effect to the following:

- Insertion of the words One Person Company
- Insertion of the words Limited Liability Partnership
- Insertion of column and entries relating to Krishi Kalyan Cess

Notification No. 42/2016 – ST - Dated 26th September, 2016 & Notification No. 45/2016 – ST - Dated 30th September, 2016

CBEC has exempted the following services from Levy of Service Tax

- Services provided by way of advancement of Yoga by entities registered under section 12AA of Income Tax Act for the period, 1st July 2012 to 20th October 2015
- Transportation, by educational institutions to students, faculty and staff for the period 1st April 2013 to 10th July, 2014.

Securities and Exchange Board of India (SEBI)

DCS/COMP/10/2016-17 – Dated 20th September 2016

On 30th November 2015, SEBI issued a circular on format of results for listed companies which required disclosure of “income from operations” net of excise duty. Schedule III of Companies Act, 2013 however, requires disclosure inclusive of excise duty. BSE & NSE has on behalf of SEBI issued this clarification that income from operations may be disclosed inclusive of excise duty.

Reserve Bank of India (RBI)

DBR.No.BP.BC.9/21.04.048/2016-17 – Dated 1st September 2016

RBI as part of the Framework for Revitalising Distressed Assets in the Economy, had amended certain guidelines relating to sale of nonperforming assets (NPAs) by banks to Securitisation Companies (SCs)/ Reconstruction Companies, other banks, NBFC's, Financial Institutions.

DBR.CID.BC.No.11/20.16.042/2016-17 – Dated 1st September 2016

RBI has directed Credit information companies (CIC) to provide access in electronic format to one free full credit report (FFCR) once in a year to its customers based on authenticated request. This report must show the latest position of the credit institutions' exposure to the individual as per records available with the CIC. The contents of the FFCR shall be the same as appearing in the most detailed version of the reports on the individual provided to credit institutions, including the credit score.

DBR.No.Leg.BC.13/09.07.005/2016-17 – 8th September 2016

RBI has advised banks to accept cash over the counter, irrespective of the amount, from declarants under the Income Declaration Scheme, 2016 through Challan ITNS-286

Goods and Service Tax (GST)

Presidential assent has been received for GST Law, and thereby firms up the dual system tax code for State as well as Central Government. It is expected that the move to GST will create a simplified and integrated system of indirect taxation. The GST council was formed on 12th September and the draft rules were also rolled out during this month.

For further updates, refer to “Our News” Section of the website.

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