



Brahmayya Bulletin

April 2018

Editorial

Welcome to a new financial year. Hearty wishes for a fresh start!

We evidenced a roller coaster ride in FY 2017-18 with implementation of GST, Insolvency Code, multiple amendments to the Companies Act and various other crucial laws. Indian markets evidenced a slump and a course correction later with the GDP growth remaining unaltered majorly.

The impact of these new laws, schemes and amendments will be evidenced in this financial year. Business houses will be busier than ever as the contemplated course corrections will translate into actual returns on adoption. While many still question the feasibility of these new laws, business should go on!

GST Act had created quite a furore last year and alignment to the new scheme still continues. The settling period may be prolonged! Much more that we anticipated. With form filing mechanism is being handled, the GST council will continue to have sleepless nights. The ambitious E-Way Bill mechanism is effective from 1st April 2018 and further challenges are expected.

The Tax departed continue to be proactive, and as expected, the new income tax filing forms have been notified. No major changes are envisioned.

SEBI has amended various regulations in April. It has always been watchful of the foreign investments and accordingly, monitoring schemes have been implemented in joint consultation with RBI.

RBI has also liberalized the policy on External Commercial Borrowings.

Wishing all the readers, once again, a happy financial year. We thank our readers for the continued support and comments to our news bulletin. Continue to watch "Our News" space of the website for further professional updates.

Happy Reading!

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)

Notification F.No.17/32/2017-CL-V Dated 2nd April 2018

Government Company which are engaged in the business as specified in Notification S.O.529 (E) dated 5th February 2018 were exempt from applicability of deferred tax asset / liability for 7 years.

The period of 7 years have been removed vide this notification.

Notification F.N.11/08/2012-CL V-Vol XVII – Dated 10th April 2018

From the commencement of the Companies (Amendment) Act, 2015 (21 of 2015), i.e. with effect from the 29th May, 2015, companies are not be required to have “common seal” by virtue of registration under the Companies Act, 2013. Accordingly MCA has amended the Companies (Share Capital and Debentures) Second Amendment Rules, 2015 regarding signing of the share certificates where the company does not have a common seal. The same amendments have been made in Table F. Every certificate is required to be sign by two directors or one director and company secretary where company secretary has been appointed.

F.No.01/04/2013-CL-V-Part III - Dated 10th April 2018

Companies (Share Capital and Debentures) Amendment Rules, 2018 has been notified wherein the director shall be deemed to have signed the share certificate if the signature is printed by any means of machine, equipment or other mechanical means.

Insolvency & Bankruptcy Code 2016 (IBC)

Circular No. IPE/008/2018 – Dated 5th April 2018

Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2018 has been notified in March 2018. The amended provisions in Regulation 12 (1) to be complied by the Insolvency Professional Entities on or before 30th June 2018 and 30th September 2018.

Compliance to be ensured on or before 30th June 2018:

- Majority of Partners/Directors of Company, registered partnership firm or limited liability partnerships are insolvency professionals
- Majority of whole time directors are insolvency professional in case of Company
- None of the partner/director is partner or director of another insolvency professional entity.

Compliance to be ensured on or before 30th September 2018:

- Sole objective is to provide support services to insolvency professionals
- Has networth of not less than 1 Crore.
- Majority of shares held by insolvency professionals who are its directors in case of Company.
- Majority of capital contribution is made by insolvency professionals who are its partners in case of limited liability partnership firms or a registered partnership firm.

Every Company, Registered Partnership Firm or LLP has to continue to satisfy the requirements at all the time.

Circular No. IPA/009/2018 - Dated 19th April 2018

Insolvency Professional Agencies are required to submit the Annual Compliance Certificate and also to be displayed on its website within 45 days of closure of the financial year.

Circular No LA/010/2018- Dated 23rd April 2018

No fresh assignment as interim resolution professional, resolution profession, liquidator or a bankruptcy trustee can be accepted by Insolvency Professional who has been served a show cause notice. Disciplinary proceeding is considered as pending from the time of issue of show cause notice till its disposal by the disciplinary committee.

Central Board of Direct Taxes (CBDT)

Notification No.16/2018/F.No. 370142/1/2018-TPL – Dated 3rd April 2018

Income Tax (Second Amendment) Rules, 2018 has ben notified and is effective from 1st April 2018. The said rules amends the applicability of Income Tax Return Forms to various assesses.

Notification No. 1 of 2018 – Dated 5th April 2018

This notification prescribes to procedure for submission of Form No.60 by any person who does not have a Permanent Account Number and who enters into transaction specified in Rule 114B of Income Tax Rules.

Notification No. 2 of 2018 – Dated 5th April 2018

Under Rule 114D of Income Tax Rules, every person, who is required to get books of accounts audited and has received declaration in Form No. 60 has to furnish a statement in Form No. 61.

Principal Director General of Income – tax (Systems) has specified the data structure for submission of Form 61. The statement shall be furnished:

- Where the declarations are received till 30th September, by the 31st October of that year; and
- Where the declarations are received till 31st March, by the 30th April of the financial year immediately following the financial year in which the form is received.

Notification No.3 of 2018 – Dated 5th April 2018

This notification prescribes the procedure for registration and submission of statement of financial transaction under Section 285BA.

Notification No.4 of 2018 – Dated 5th April 2018

Every financial institution is required to submit statement of reportable account under Section 285BA, which has been identified pursuant to due diligence procedure in Form 61BA. Procedure for registration and submission of Statement of Reportable Account has been specified.

Central Board of Excise and Customs (CBEC) – Customs

Notification No.29/2018 - Customs (N.T.) – 2nd April 2018

Pre Notice Consultation Regulations, 2018 has been notified by the Central Board of Indirect Taxes and Customs. The manner of pre notice consultation has been prescribed wherein the officer is required to inform in writing to the person to elicit the response and consideration of the representation.

Circular No.10/2018 - Customs - Dated 24th April 2018

Clarification has been provided by the department regarding Import by EOU/ETHP/STP/BTP without payment of duty under Rule 5 of Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017. It is clarified that importer EOU need not get prior approval of the information submitted under Rule 5 of Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017, from Jurisdictional DC/AC of Customs for duty free import at the Custom Station of Importation.

Securities and Exchange Board of India (SEBI)

Notification No. LAD-NRO/GN/2018 /04 – Dated 2nd April 2018

Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2018 has been notified and shall come in force from 1st October 2018.

Circular IMD/FPIC/CIR/P/2018/61 – Dated 5th April 2018

The onus of compliance with various foreign investment limits rests with Indian Company under FEMA, 1999. SEBI in consultation with RBI is putting in place a new system for foreign investment limits.

Depositories (NSDL and CDSL) has been empowered to put in place the necessary infrastructure and IT systems for operationalizing the monitoring mechanism and shall issue necessary circulars and guidelines for collecting data on foreign investment from listed companies. Listed Companies are required to provide the details by 30th April 2018 and new system will come in force from 1st May 2018.

SEBI/HO/MIRSD/DOP2/CIR/P/2018/0 00000063 – Dated 9th April 2018

In compilation of all circulars /directions, a “Master Circular for Debenture Trustees” has been issued. However, in case of any inconsistency between Master Circular and applicable circulars, which were issued earlier, the contents of relevant circular shall prevail.

SEBI/HO/IMD/FPIC/CIR/P/2018/66 – Dated 10th April 2018

SEBI is monitoring investments by foreign government and their related entities. SEBI has issued certain clarification on clubbing of investments limits to be applied for foreign Government and its related entities.

SEBI/LAD-NRO/GN/2018/05 – Dated 5th April 2018

Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2018 has been notified.

SEBI/LAD-NRO/G/2018/06 - Dated 10th April 2018

Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulation, 2018 has been notified and is effective from 10th April 2018.

SEBI/LAD-NRO/GN/2018/07 – Dated 10th April 2018

Securities and Exchange Board of India (Infrastructure Investment Trusts) (Amendment) Regulations, 2018 has been notified and shall be effective from 10th April 2018

Reserve Bank of India (RBI)

RBI/DBR/2015-16/18 Master Direction DBR.AML.BC.No.81/ 14.01. 001/2015-16 – Dated 20th April 2018

Master Direction regarding Know Your Customer (KYC) Direction, 2016 has been amended and revised directions are issued on 20th April 2018.

RBI/2017-18/169/A.P.(DIR Series) Circular No. 25 - Dated 27th April 2018

Guidelines to rationalize and liberalize the External Commercial Borrowings Policy has been issued as under:

- Uniform cost ceiling of 450 basis point over benchmark rate has been stipulated. For Track-I and Track II, benchmark rate is 6 month USD LIBOR or applicable benchmark for respective currency. For Track-III (Rupee ECB), it will be prevailing yield of Government of India and RDBs.
- ECB Liability to Equity Ratio is increased to 7:1 for ECB raised from direct foreign equity holder under automatic route. This ratio is not applicable if the ECB raised is upto USD 5 million or equivalent.

- Housing Finance Companies, which are regulated by National Housing Bank are eligible to raise ECB under all tracks provided they shall have Board approved risk management policy and have 100 % hedged ECB Exposure for ECB raised under Track I.
- Ports Trusts constituted under Major Port Trusts Act, 1963 or Indian Ports Act, 1908 are eligible to raise ECB under all tracks provided they shall have board approved risk management policy and have 100 % hedged ECB Exposure for ECB raised under Track I.
- Companies engaged in business of Maintenance, Repair and Overhaul and Freight Forwarding can raise ECB denominated in INR only.
- Negative list for all tracks have been issued for end use of ECB.

**RBI/2017-18/161/A.P.(DIR Series)
Circular No. 23 - Dated 12th April
2018**

In order to monitor the Liberalized Remittance Scheme more effectively, a daily reporting system by AD banks is being implemented. Currently, the transactions are monitored based on declarations made by remitters only. The new daily reporting system is will be accessible to other AD's also. Where no transactions are executed, AD banks shall upload a NIL report.

Goods and Service Tax (GST)

Rollout of E-Way Bill

Based on the decision of the GST Council, E-Way Bill for all Inter-State movement of goods has been rolled out from 1st April 2018. The E-Way Bill for Intra-State movement of goods would be implemented from 15th April 2018 in case of Andhra Pradesh, Gujarat, Kerala, Telangana and Uttar Pradesh.

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