



# Brahmayya Bulletin

July 2015

## Editorial

The “Missile Man of India” is no more. The entire world is struck with grief. The values he imbibed into the hearts and minds will live on. He had the curiosity of a child and the wisdom of a sage. An Epitome of Leadership and Love, he has taught us governance too. His work, “Governance for Growth in India” articulates the vision for India and proposes step by step solutions for issues on Governance and Accountability – these two key words being the most important guiding principles for any professional.

With the same principles in mind, on the efforts to bring a corruption free India, the Black Money Law has received the assent of the President of India and comes into effect from 1st July 2015.

The CBDT has issued various clarifications and explanatory notes on the provisions relating to tax compliance for undisclosed foreign income and assets as provided in the Black Money and Imposition of Tax Act, 2015.

The Reserve Bank of India has come out with the Master Circular on Import/Export of Goods and Services effective 1st July 2015.

With the dates of filing annual reports and notice requirements as per the Companies Act, 2015, the MCA has issued certain clarifications in regard to circulation and filing

**“Excellence is a continuous process and not an accident” – APJ Abdul Kalam**

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**  
Announcement Framework Notification  
Clarification Order Rule  
Instruction Order Order  
Framework Order  
Update Circular

## Ministry of Corporate Affairs (MCA)

### General Circular No. 10/2015 – Dated 13th July 2015

As per the requirements of the Companies Act, 2013, the following forms have been prescribed:

- Filing financial Statements: Form AOC-4 / Form AOC-4 XBRL
- Filing Annual Return : MGT-7.

The Electronic Versions of these forms are being developed and shall be made for e-filing latest by 30th September 2015. A separate form for filing Consolidated Financial Statements with nomenclature AOC-4 CFS will be made available latest by October 2015. MGT-7 has been notified while the other forms will be notified shortly.

In view of this, it has been decided to relax the additional fees payable on Forms AOC-4, AOC-4 XBRL and Form MGT-7 upto 31st October 2015. A company which is not required to file its financial statements in XBRL format and is required to file its CFS would be able to file the same without payment of any additional fees upto 30th November 2015. based consultation.

### General Circular No. 11/2015 – Dated 13th July 2015

Proviso to Section 101(1) of the Companies Act, 2013 allows general meetings to be called

at a shorter notice than 21 days. Owing to clarifications sought by the stakeholders whether Section 136 would also allow circulation of financial statements at shorter notice if conditions under Section 101 are satisfied. The matter has been examined and it is clarified that a Company holding a general meeting after giving a shorter notice may also circulate financial statements at shorter notice.

Certain Clarifications have also been sought in respect of requirements under Section 136(1) and Section 137(1).

*Can a Company covered under the above provisions place/file unaudited accounts of a foreign subsidiary if the audit of such foreign subsidiary is not a mandatory legal requirement in the country where the foreign subsidiary has been incorporated and such audit has not been conducted?*

The Indian Parent (Holding Company) can place/file unaudited accounts to comply with the requirements of Section 136(1) and Section 137(1). These accounts should however be translated into English, if the original accounts are not in English.

*Should the accounts of such foreign subsidiary be in the format prescribed in Schedule III / Accounting Standards or the format as per country of incorporation of the foreign subsidiary?*

The format should, as far as possible, be in accordance with the requirements under Companies Act, 2013. In case this is not possible, a statement indicating the reasons for deviation may be placed/filed along with such accounts.

## Central Board of Direct Taxes (CBDT)

### Notification No. 56/2015 – Dated 1st July 2015

Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 received the assent of the President on 26th May, 2015. Section 1 (3) of this Act provides that save as otherwise provided in the Act, the Act shall come into force on the 1st day of April, 2016. Previous Year as defined in this Act means a period of twelve months immediately preceding the assessment year. This Act having received the assent of the President on 26th May, 2015 and therefore the provisions of this Act cannot be given effect prior to this date, irrespective of the fact that the assessment year beginning on 1st April, 2016 relates to the previous year commencing on 1st April, 2015. Since difficulty has arisen in interpreting the expression 'date of commencement of the Act', an order for removal of difficulties is passed, wherein the words 1st April 2016, in respect of the commencement is

substituted by the term 1st July 2015.

### **Notification No. 57/2015 – Dated 1st July 2015**

In exercise of the powers conferred by Section 59 and Section 63(1) of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, the Central Government hereby appoints -

30th September, 2015 as the date on or before which a person may make a declaration in respect of an undisclosed asset located outside India;

31st December, 2015 as the date on or before which a person shall pay the tax and penalty in respect of the undisclosed asset located outside India so declared,

### **Circular No. 12/2015 – Dated 2nd July 2015**

This circular provides the substance of the provisions of the compliance window provided in Chapter VI of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

### **Circular No. 13/2015 – Dated 6th July 2015**

On receipt of various queries pursuant to the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 and Rules being notified, the Board has clarified certain aspects in the form of questions and answers.

Detailed note on Circular No.12 & Circular 13 have been dealt with as a separate article as part of “Our News” in the website.

### **Notification No. 2/2015 – Dated 13th July 2015**

Central Board of Direct Taxes has introduced Electronic Verification Code (EVC) System as an alternate mode of Verification to manually signed ITR-V (Income Tax Acknowledgement). The EVC is an alpha-numeric code, which would be unique for an Assessee PAN and can be generated through the following modes:

- Through Net-Banking
- Authentication of Aadhar Card using One Time Password
- Through Automatic Teller Machine of a Bank
- Through Registered Email ID and Mobile Number of the Assessee

Generation process may vary based on the category of Assessee. The EVC used to validate the Income Tax Return will be validated against the EVC stored against the Assessee PAN at the time of generation and only a valid and matched EVC will be accepted.

### **Notification No. 59/2015 – Dated 6th July 2015**

In exercise of the powers conferred by Section 10(15) of the Income Tax Act, 1961, the Central Government authorizes the following entities to

issue tax-free, secured, redeemable, non-convertible bonds during the year 2015-16:

- National Highways Authority of India (NHAI)
- Indian Railways Finance Corporation (IRFC)
- Housing and Urban Development Corporation (HUDCO)
- Indian Renewable Energy Development Agency
- Power Finance Corporation Limited (PFC)
- Rural Electrification Corporation Limited (REC)
- NTPC Limited
- The eligible investors are:
- Retain Individual Investors
- Qualified Institutional Buyers
- Corporates (including statutory corporations), trusts, partnership firms, limited liability partnership, co-operative banks, regional rural banks and other legal entities, subject to the compliance of respective acts.
- High Networth Individuals

The tenure of the Bonds shall be 10, 15 or 20 years with a ceiling on the coupon rates based on the reference Government Security Rate.

### **Notification No. 60/2015 – Dated 24th July 2015**

The Central Government has notified the Cost Inflation Index at 1081 for the Financial Year 2015-16.

### **Central Board of Excise and Customs (CBEC)**

#### **Notification No. 18/2015 – Central Excise (N.T) - Dated 6th July 2015**

The CBEC has specified certain conditions, safeguards and procedures for issue of invoices, preserving records in electronic form and authentication of records and invoices by digital signatures.

- Every assessee shall use Class 2 or Class 3 Digital Signature Certificate duly issued by the Certifying Authority in India.
- Certain specific information should be intimated to the jurisdictional Deputy Commissioner or Assistant Commissioner of Central Excise, at least 15 days in advance. If the digital signature is already being used, the assessee should communicate within 15 days from the date of this notification.

- Every assessee who has opted to maintain records in electronic form and having more than one factory or service tax registration shall maintain separate electronic records for each factory or each service tax registration.

- Every assessee who has opted to maintain records in electronic form, shall on request by a Central Excise Officer, produce the specified records in electronic form and invoices through e-mail or on a specified storage device in an electronically readable format for verification of the authenticity of the document.

- A Central Excise Officer, during an enquiry, investigation or audit, may direct an assessee to furnish printouts of the records in electronic form and invoices and may resume printouts of such records and invoices after verifying the correctness of the same in electronic format; and after the print outs of such records in electronic form have been signed by the assessee or any other person authorised by the assessee in this regard, if so requested by such Central Excise Officer.

- The records shall be maintained and preserved for a period of 5 years immediately after the end of the respective financial year.

### **Reserve Bank of India (RBI)**

#### **Master Circular No. 13/2015-16 – Dated 1st July 2015**

Import of Goods and Services into India is allowed in terms of Section 5 of the Foreign Exchange Management Act 1999, read with Notification No. G.S.R. 381(E) dated May 3, 2000 viz. Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time. This Master Circular consolidates the existing instructions on the subject of "Import of Goods and Services into India" at one place.

#### **Master Circular No. 14/2015-16 – Dated 1st July 2015**

Export of Goods and Services from India is allowed in terms of clause (a) of sub-section (1) and sub-section (3) of Section 7 of the Foreign Exchange Management Act 1999, read with Notification No. G.S.R. 381(E) dated May 3, 2000 viz. Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time.

This Master Circular consolidates the existing instructions on the subject of “Export of Goods and Services from India” at one place.

**Master Circular No. 14/2015-16 –  
Dated 1st July 2015**

Export of Goods and Services from India is allowed in terms of clause (a) of sub-section (1) and sub-section (3) of Section 7 of the Foreign Exchange Management Act 1999, read with Notification No. G.S.R. 381(E) dated May 3, 2000 viz. Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time. This Master Circular consolidates the existing instructions on the subject of “Export of Goods and Services from India” at one place.

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