



# Brahmayya Bulletin

December 2017

## Editorial

The year 2017 has evidenced introduction of various key regulations, from the biggest tax return, the Goods and Service Tax implementation to the effective and time bound Insolvency and Bankruptcy Code.

This year has been eventful, interesting and the economy has worked tirelessly to adopt to the changes, both political and social!

The industry has marginally settled and moving towards a positive scenario. Various regulatory agencies have been upto speed in addressing the Government's vision of a ensuring "ease of doing business". Accordingly, the changes and amendments to statutes have been well accepted by the business world.

Despite challenges, the confidence of doing business in India has been always higher. The FDI norms have been eased and suitably amended to facilitate higher FDI's.

Start-ups have also been a centre of attention to the current government. Various tax advantages announced, have boosted the start-up environment. With increase in the consumption pattern in the country, business opportunities have increased considerably.

Alignment of the Financial Reporting Framework with the International norms has also boosted confidence among international investors.

The agenda of the Government has also been clear and the intent precise! RBI's recommendation to refer selected entities to the NCLT and initiation of Corporate Insolvency Resolution Process is an important move to curb the NPA menace. However, in the coming months, we may expect a stagnation in the economic movement. Larger NPA's will naturally deter the banking system from moving ahead with liberalized lending policies to the needy.

We look forward for another eventful year and wish our readers a happy and prosperous new year!

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)

### General Circular No.15/2017 - Dated 4<sup>th</sup> December 2017

In preview of Companies (Cost Record and Audit) Amendment Rules, 2017 and other reasons, the due date for filing CRA-4 "Form for filing of Cost Audit Report with Central Government" has been extended till 31<sup>st</sup> December 2017.

### GSR F.No.1/40/2013-CL-V - Dated 7<sup>th</sup> December 2017

Companies (Cost Records and Audit) Amendment Rules, 2017 has been notified which has substituted Form CRA-1 and Form CRA-3 and shall be deemed to be applicable from 1<sup>st</sup> April 2016.

### General Circular 16/2017 - Dated 29<sup>th</sup> December 2017

MCA has notified the Condonation of Delay Scheme 2018 to provide the opportunity and relief to the directors of the Companies that has been disqualified/termed as defaulted companies and due to non filing of financial statements or annual returns. The opportunity has been provided so that the disqualified directors can regularize the compliance to avoid permanent disqualification for 5 years. Details related to the Scheme are elaborated in "Our News" section of our website.

## Insolvency and Bankruptcy Code, 2016 (IBC)

### IBBI/2017-18/GN/REG/21 - Dated 6<sup>th</sup> December 2017

Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulation, 2017 has been notified which apply to grievances and complaints filed against the service providers (an insolvency professional agency an insolvency professional, an insolvency professional entity or an information utility).

## Insolvency Professionals to act as Interim Resolution Professional or Liquidators (Recommendation) Guidelines, 2017 - Dated 15<sup>th</sup> December 2017

Guidelines has been prescribed for appointment of Interim Resolution professional/ Liquidator for Corporate Debtor against whom operational creditor has made application for corporate insolvency resolution process and has proposed an IRP.

### IBBI/2017-18/GN/REG22 - Dated 31<sup>st</sup> December 2017

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fourth Amendment) Regulations, 2017 has been notified. The Regulations has changed definition of dissenting financial creditor as financial creditor who voted against the resolution plan or abstained from voting for resolution plan, approved by committee.

Liquidation value can be provided to the member of committee upon signing the undertaking that no undue gain/loss shall be made to any person and every member of committee shall maintain confidentiality.

Interim Resolution Professional /Resolution professional shall also maintain confidentiality of the liquidation value.

## Central Board of Direct Taxes (CBDT)

### Circular No. 29/2017 - Dated 5<sup>th</sup> December 2017

Rates of Deduction of income tax from payment of income chargeable under the head of Salaries during the financial year 2017-18 and related provisions of Income Tax Act has been explained.

### Notification No.98/2017 - Dated 20<sup>th</sup> December 2017

Provisions relating to the delivering/ transmission of communication by the income tax department to the assessee has been inserted in Rule 127 of the Income Tax Rules, 1962. This provision is with specific reference to situations when such communication is not delivered as per the address mentioned by the assessee.

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

### Notification 114/2017-Customs NT - Dated 14<sup>th</sup> December 2017

Customs (Furnishing of Information) Rules, 2017 has been notified wherein banking company, which is covered under the clause (a) of section 45A of Reserve Bank of India has to furnish the details of foreign exchange transactions made/received by any person to Directorate of Revenue Intelligence as per the prescribed format on periodic basis.

## Security Exchange Board of India (SEBI)

### SEBI/HO/CFD/CMD/CIR/P/2017/128 - Dated 19<sup>th</sup> December 2017

SEBI has amended the manner of representation of shareholding by Listed Entities. PAN Number (first holder incase of joint holding) should also be provided in details of shareholding of promoters and promoter group, public shareholder and non-promoter shareholder. Further shareholding to be consolidated on the basis of PAN and Folio Number.

**SEBI/HO/CFD/DCR1/CIR/P/2017/131**  
- Dated 22<sup>nd</sup> December 2017

Under Regulation 11(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Board has power to grant exemption from the obligation to make an open offer for acquiring shares. Regulation 11(3) requires acquirer to file an application with the Board, supported by sworn affidavit. To ensure uniformity, a standard format for such applications has been prescribed.

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

**RBI/2017-18/110 DBR.No.Leg.BC.98/09.08.019/2017-18** - Dated 19<sup>th</sup> December 2017

Section 215 of Insolvency and Bankruptcy Code 2016, requires the financial creditor to submit financial information and information relating to assets to which any security interest has been created. Chapter V of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 has specified the form and manner in which information to be submitted. National E-Governance Services Limited has been registered as first Information Utilities and all financial creditors regulated by RBI has been advised to place in system and procedures to ensure the compliance to the provisions of Code and Regulations.

**RBI/2017-18/105/DPSS.CO.PD**  
**No.1633/02.04.003/2017-18** - Dated 6<sup>th</sup> December 2017

Reserve Bank of India has rationalized the Merchant Discount Rate for Debit Card Transactions for Small Merchants as not exceeding 0.40% (maximum to INR 200 per transaction) if Physical Point of sale infrastructure including online card transactions facilities are available. For QR based card acceptance infrastructure, the limit is 0.30% (maximum of INR 200 per transactions. For other merchants 0.40% and 0.30% shall be substituted by 0.90% and 0.80% (maximum to INR 1000 per transactions.

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