

EDITORIAL



The introduction of Goods and Services Tax (GST) was hailed as one of the biggest reforms in the field of Indirect Taxes. The Prime Minister referred to GST as "Good and Simple tax". However its introduction has led to number of glitches. Assesseees could not file

GSTR – I within the prescribed time as the network could not take load which led to non-filing thereof. The Government had to extend the date of filing of the said return from 10th August to 10th October 2017 and return for claiming input credit to 31st October 2017. A video showing frustration of a person who was trying to file the return and could not do so through his computer went viral on WhatsApp. It shows that the person throws his computer due to such frustration. Assesseees faced problems with regard to the registration under GST also. The market reports indicate that the unorganized traders are carrying on the business as usual by issuing of kacha bills/ invoices without indicating the name of the shop and other particulars. There have been agitations by the textile manufacturers (including handloom) against the levy of GST @5%. Flour Mills which are

selling branded items have also been agitating against the levy of 5% GST on branded goods. Most of such flour mills started selling the products without brand name so as to get out of the levy. The exporters who are otherwise hit by a strong Rupee are also having number of problems with regard to export of goods. They have highlighted in various representations to the Government that there has been fall in the exports by about 15% on account of the rise in cost to the extent of 1.25% due to the levy of GST and the margins have reduced considerably. Increase in cost coupled with the fall in the value of the dollar have had negative implications as to their survival and employment generation. Further, the introduction of GST has created a major tying up of the working capital for exporters. The input credit has been delayed on account of extension in the date of filing the return. This has led to the delay in getting refund for the July month as the same is expected to be received now in December. Recent report also suggests that there has been reduction in the collection of GST for the month of August 2017. Mr. Yeshwant Sinha, Finance Minister part of NDA Government led by Sh. Atal Behari Vajpayee has stated that GST has been badly conceived and poorly implemented. According to him GST as introduced is playing havoc with the normal trading operations in the country. The implementation of GST therefore requires immediate attention of the Government as well the as GST Council. It should have an interaction with the representatives of the trade and industry, (including small and medium size) and try to understand their problems so that one of the biggest reforms in Indirect Taxes does not lead to another paralysis in governance of the Country.

I hope you find the contents of this newsletter useful. We would be happy to receive your comments/ suggestions on this initiative and the contents of this newsletter. You may e-mail your views at sachin@scvasudeva.com.

Happy Reading!

S.C. Vasudeva

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REGULATORY SNIPPETS

Direct Tax



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(1) Circular No. 22/2017 dated 3rd July, 2017- CBDT clarification in respect of section 269ST of the Act.

The CBDT has vide Circular No. 22/2017 dated 3rd July, 2017, clarified that in case of repayment of loan to Non-Banking Financial Companies (NBFCs) or Housing Finance Companies (HFCs), then each instalment of loan repayment shall constitute a "single transaction". Therefore, if the single loan instalment amount is less than Rs 2 lakhs, it can be paid in cash. All the instalments paid for a loan shall not be aggregated for the purposes of determining applicability of Rs 2 lakh limit.

(2) Circular No. 23/2017 dated 19th July, 2017 – CBDT clarifies that tax shall not be deducted on GST component of services.

The CBDT has vide Circular No. 23/2017 dated 19th July, 2017, clarified that that no tax is required to be withheld under Chapter XVII-B of the Act on the component of 'GST on services' if it is indicated separately in the amount payable to a resident assessee.

GST for this purpose shall include Integrated Goods and Services Tax, Central Goods and Services Tax, State Goods and Services Tax and Union Territory Goods and Services Tax. Further, any reference to "Service Tax" in an existing agreement or contract entered prior to 1 July, 2017 shall be treated as "GST on services" with respect to period from 1 July, 2017 onwards until the expiry of such agreement or contract.

(3) PAN–Aadhar Linking Deadline extended upto 31st December, 2017

Earlier, the CBDT has extended the deadline for linking of PAN and Aadhar upto 31st August, 2017. Now, the CBDT has vide order under section 119 of the Act dated 31st August 2017, has extended the same by further four months i.e. up to 31st December, 2017.

(4) Tax Audit Cases /Companies: ITR Filing Due Date Extended by CBDT from 30th September, 2017 to

31st October 2017 for AY 2017-18

In view of GST implementation and taxpayers/ professionals being busy in initial compliance under GST regime, the CBDT, has vide order under section 119 of the Act dated 31st August 2017 extended due date/ last date for filing of ITR and Tax Audit Report from 30 Sept. 2017 to 31 Oct. 2017 in respect of AY 2017-18 for all corporate assesseees and other assesseees who are subject to tax audit.

(5) Notification No. 79/2017 dated 8th August 2017-

The CBDT has, vide notification no. 79/2017 dated 8th August, 2017, notified IRFC Ltd. Bonds as long term specified asset for the purpose of section 54EC of the Act.

Indirect Tax



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(1) Notification no. 16/2017 - Central Tax dated 7th July 2017, hereby specifies the conditions and safeguards for the registered person who intends to supply goods or services for export without payment of integrated tax, for furnishing a Letter of Undertaking in place of a Bond. These conditions and safeguards are:

- The registered person who has received the due foreign inward remittance amounting to a minimum of 10% of the export turnover which should not be less than 1 Crore in the preceding financial year and has not been prosecuted for any offence under the Central Goods and Service Tax Act 2017 shall be eligible to furnish letter of undertaking for supply of goods or services without payment of Integrated Tax
 - The Letter of Undertaking shall be furnished in duplicate for a financial year in the annexure to FORM GST RFD -11 referred to in sub-rule (1) of rule 96A of the Central Goods and Services Tax Rules, 2017 and it shall be executed by the working partner, the Managing Director or the Company Secretary or the proprietor or by a person duly authorised by such working partner or Board of Directors of such company or proprietor on the letter head of the registered person.
- (2) Notification no. 20/2017-Central Tax (Rate) dated 22nd August 2017, Seeks to amend notification No. 11/2017- Central Tax (Rate)



dated 28th June 2017 to reduce CGST rate on specified supplies of Work Contract Services from 9% to 6%. A similar notification has been issued by the Delhi State Government vide notification no. 20/2017- State tax (Delhi) dated 6th September 2017 in respect of change in rate of state tax from 9% to 6%.

- (3) Notification no. 22/2017- Central Tax (Rate) dated 22nd August 2017, seeks to amend notification no. 13/2017- Central Tax (Rate) dated 28th June 2017, so as to provide recipient to pay tax (CGST) under reverse charge at the rate of 2.5 % if Goods transport agency has not paid tax (CGST) under forward charge at the rate of 6%. A similar notification has been issued by the Delhi State Government vide notification no. 22/2017-State tax (Delhi) dated 6th September 2017.
- (4) The Central Goods and Service Tax (Extension to Jammu and Kashmir) Act 2017 has been passed on 23rd August 2017 and is in force from 8th July 2017.
- (5) The Integrated Goods and Service Tax (Extension to Jammu and Kashmir) Act 2017 has been passed on 23rd August 2017 and is in force from 8th July 2017.

Corporate Advisory

(1) Amendment in The Companies (Appointment and Qualification of Directors) Rules 2014

Ministry of Corporate Affairs (MCA) has amended the provisions of Rule 4 of The Companies (Appointment and Qualification of Directors) Rules 2014 pertaining to "Number of Independent Directors" and certain provisions of Schedule IV pertaining to "Code



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for Independent Directors", vide its notification dated 5th July 2017. The key amendments are summarized as follows:-

- The following class of unlisted public companies are exempted from the requirement of appointment of Independent directors on the Board of the Company pursuant to Rule 4 of the aforesaid Rules:-
 - A Joint Venture,
 - A wholly owned Subsidiary and
 - A dormant Company as defined under section 455 of the Companies Act 2013.
- By the virtue of amendment in Schedule IV, the time period to appoint new Independent director in place of an independent director who resigns or is removed from the Board, has been amended as three months (earlier the period was "not more than 180 days") from the date of such resignation or removal, as the case may be and also it has been clarified that at least one meeting of the independent directors of the Company is required to be held in a financial year (earlier it was stated as 'in a year')

(2) Amendment in The Companies (Meetings of Board and its Powers) Rules 2014



MCA vide its notification dated 13th July 2017 has amended the provisions of Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 pertaining to "Committees of the Board"

By virtue of the said amendment, the following class of unlisted public companies has been exempted from the requirement of constituting an 'Audit Committee' and a 'Nomination and Remuneration Committee' of the Board':-

- A Joint Venture,
- A wholly owned Subsidiary and
- A dormant Company as defined under section 455 of the Companies Act 2013.

The aforesaid change is in line with the relaxation provided to such companies from the appointment of an Independent Director.

(3) MCA notified Companies (Incorporation) Second Amendment Rules, 2017

MCA vide its Notification No. G.S.R. 955 (E) dated 27th July, 2017, has notified the Companies (Incorporation) Second Amendment Rules, 2017:

The key amendments are summarized as follows:-

• **Rule 28 (Shifting of Registered Office within the same State):** Some relevant documents as mentioned below, have been listed which are to be submitted along with the application to Regional Director in Form INC-23, for shifting of Registered Office within the same State from the jurisdiction of one Registrar of Companies to the jurisdiction of another Registrar of Companies:-

- Board Resolution for shifting of registered office;
- Special Resolution of the members of the company approving the shifting of registered office;
- A declaration given by the Key Managerial Personnel or any two directors authorised by the Board, that the company has not defaulted in payment of dues to its workmen and has either the consent of its creditors for the proposed shifting or has made necessary provision for the payment thereof;
- A declaration not to seek change in the jurisdiction of the Court where cases for prosecution are pending;
- Acknowledged copy of intimation to the Chief Secretary of the State as to the proposed shifting and that the employees interest is not adversely affected consequent to proposed shifting.

• **Rule 30 (Shifting of Registered office from one State or Union Territory to another State):** In the said rules, list of documents accompanying application to the Central Government have been amended. Also provisions relating to newspaper advertisement has been amended stating that it shall be made not more than 30 days before filing application in Form INC-23 (previously it was mentioned as "at least 14 days before date of hearing").

(4) Delegation of Power of Central Government to Regional Director in case of Section 66(2) of the Companies Act, 2013

By the virtue of a notification issued by MCA vide its notification F. No. 1/06/2014-CL-V dated 6th September, 2017, the powers and functions vested within the Central Government under sub-section (2) of Section 66 of the Companies Act, 2013 pertaining

to notice by Tribunal to Central Government for of every application made to it for the reduction of share capital under section 66(1) of the Companies Act, 2013. has now been delegated to the Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Shillong.

VALUE ADD

E-Way Bills



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The GST Council has introduced 'E-way Bills' to replace the concept of waybills and transport bills that transport companies and businesses were using in the erstwhile regime.

Recently, the Central Government has issued notification number 27/2017, dated 30/08/2017 wherein it has brought Rule 138 for E-Way Bill in public domain. E-way Bill is an electronic way bill which is required to be carried by a person in charge of the conveyance; for movement of goods from one place to another place within the State or outside the States. The e-way bill mechanism has been used in GST to prevent inter-State or intra-State



movement of goods without payment of GST. An easy way to understand these bills is by looking at them as a pre-signed order for transport of goods, for which a unique e-way bill number called 'EBN' is obtained electronically through GSTN (Goods and Services Tax Network) portal. EBN is further made available to the supplier, the recipient and the

transporter.

A 'movement' of goods of more than Rs 50,000 in value cannot be made by a registered person without an e-way bill. The movement of goods could be in relation to supply or for reasons other than supply or due to inward supply from an un-registered person. E-Way bill is not required under following circumstances:

- Supply between two unregistered persons
- Where consignment value is less than Rs.50,000
- Goods are being transported by a non-motorised conveyance such as
- Where the goods are being transported from the port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs

Generation of E-way bill through online portal will help in reducing manual intervention leading to less errors and much clearer documentation. Also, it will standardize the process and bring transparency in the system. Movement of goods with fake bills would reduce drastically as compared to erstwhile regime. Also, duration of delivery time would reduce as e-way bill is generated for a day up to 100km. Introduction of this system would help in reducing the number of check post across state borders and national highways and because of which movement of goods would be at simpler and faster.

Internal Financial Controls



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Indian regulations have been modified to reflect the developments in the Western world. Introduction of Internal Financial Controls ('IFC') in the Companies Act 2013, reflect the continuation of this trend.

Internal Financial Controls ('IFC') has been defined in the New Companies Act 2013, Section 134 (5) (e), as to mean policies and procedures adopted by the company for ensuring:

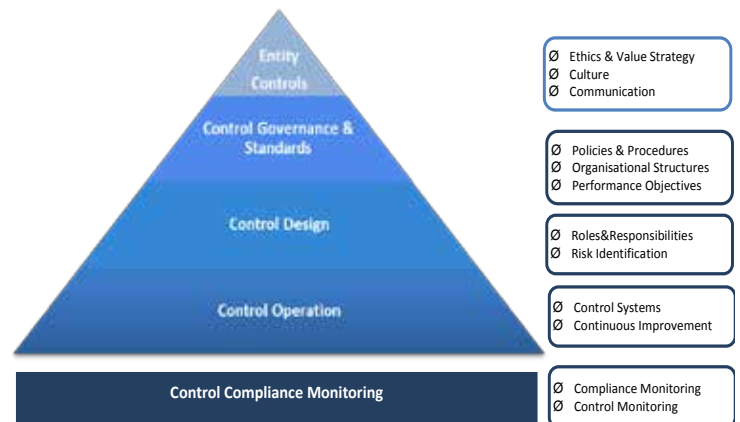
- The orderly and efficient conduct of its business
- The safeguarding of assets
- The prevention and detection of frauds and errors

- The accuracy and completeness of the accounting records
- The timely preparation of reliable financial information

IFC = ICFR + Operational Controls + Anti-fraud Controls

A company's Internal Financial Controls over Financial Reporting ('ICFR') includes those policies and procedures that

- pertain to the maintenance of records that accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the



financial statements

Key Components of IFC

The expanded coverage and focus goes way beyond the "Financial Reporting Controls" and the focus is on "all the elements" of a Controls Framework including tone at the top, policies and procedures, operating controls, controls design, controls monitoring etc.

Implementation of IFC – who all involved:

The "Three Lines of Defense" model provides a simple

and effective way to enhance communications on Internal Financial Controls by clarifying roles and duties.

- The first line is responsible for setting up the controls, mitigation of risk and defining policies and procedures to be complied with
- The second line monitors compliance with the laid down controls. It is not an independent assurance function, but a monitoring tool for the management
- The third line provides the independent assurance on the activities of first and second lines of defence
- Audit Committee and board of directors provide overall direction and oversight

Responsibilities of key stakeholders

Management

- Listed Companies - Section 134(5)(e) - Directors Responsibility Statement to state that the Directors had laid down internal financial controls and the same were adequate and operating effectively.

- All Companies - Section 134(3)(a) read with Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014 - Board of Director's report will contain details in respect of adequacy of internal financial controls with reference to the Financial Statements

Auditor

All Companies* - Section 143(3)(i) – Audit report to state that Company has adequate IFC system in place and such controls are operating effectively

* *The auditor is not required to report for a private company if (i) It is a one person company or a small company, or (ii) It has a turnover of less than INR50 crore as per the latest audited financial statements or the borrowings of such a company from banks or financial institutions or any body corporate at any point of time during the FY is less than INR25 crore [MCA Notification dated 13th June 2017]*

Audit Committee

Listed Companies - Section 177(4)(vii) - Audit Committee to evaluate internal financial controls and risk management systems.

Independent directors

Schedule IV - Satisfy themselves on the integrity of financial information and ensure that financial controls are robust and defensible.

Advantages of a robust internal financial control system

- Senior Management Accountability
- Improved controls over financial reporting process
- Improved investor confidence in entity's operations and financial reporting process
- Promotes culture of openness and transparency within the entity
- Trickle down of accountability to operational management
- Improvements in Board, Audit Committee and senior management engagement in financial reporting and financial controls
- More accurate, reliable financial statements
- Making audits more comprehensive

IndAS - Journey So Far



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Demonetisation, Goods and Service Tax (GST) bill, Income Computation and Disclosure Standards (ICDS) and transition to Indian Accounting Standards (Ind AS) – Financial Year 2016-17 witnessed a milestone year for the Corporates!

The journey from Indian Generally Accepted Principles (IGAAP) to converged International Financial Reporting Standards (IFRS) or the Indian Accounting Standards (Ind AS) had been a challenging yet worthwhile experience.

The convergence to IFRS shall improve the comparability of financial statements not only for investors, but also all stakeholders who use the financial statements. Transition to Ind AS in long run will give better access to foreign capital market and investments. "The window of opportunity will close if a decision is delayed", as rightly said by Sir David Philip Tweedie (Ex-chairman, IASB).

Overview

Ind AS comprises 40 accounting standards that are largely converged with the IFRS, notwithstanding a few carve-outs or deviations from IFRS. Ind AS contains several areas involving application of significant judgements and financial reporting is based on significant management estimates.



The new accounting standards are required to be applied retrospectively, and the entire impact as a result thereof has to be adjusted in opening equity on the date of transition. For ease of transition, Ind AS 101, First Time Adoption of Indian Accounting Standards provides certain exemptions and options while preparing the Ind AS opening balance sheet.

Also, MCA notified IFRS 9, Financial Instruments which is not yet mandatory internationally for companies preparing financials as per IFRS. Financial Instruments standard impacted almost all companies, primarily because there was no equivalent standard on financial instruments under erstwhile IGAAP.

Internationally, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases are effective from 2018 and 2019 respectively. In India, the same are yet to be notified under Ind AS. The new standards will bring a significant shift in accounting of revenue

	Phase I	Phase II	Voluntary adoption
Year of adoption	FY 2016 - 17	FY 2017 - 18	FY 2015 -16 or thereafter
Comparative year	FY 2015 - 16	FY 2016 - 17	FY 2014 - 15 or thereafter
Covered companies			
(a) Listed companies	All companies with net worth >= INR 500 crore	All companies listed or in the process of being listed	Any company could voluntarily adopt IND-AS
(b) Unlisted companies	All companies with net worth >= INR 500 crore	Companies having a net worth >= INR 250 crore	
(c) Group companies	Applicable to holding, subsidiaries, joint ventures, or associates of companies covered in (a) and (b) above.		

and leases. Former International Accounting Standards Board (IASB) Chairman Sir David Philip Tweedie said in one of his speech that "one of my great ambitions before I die is to fly in an aircraft that is on an airline's balance sheet".

Format for Ind AS financials was notified by Ministry of Corporate Affairs (MCA) on 6th April 2016 as

Ind AS-compliant Schedule III (Division II) to the Companies Act, 2013.

Roadmap for implementation of Ind AS by Corporates

The Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Rules, 2015 vide Notification dated February 16, 2015 covering the roadmap of implementation of Ind AS for companies other than Banking companies, Insurance Companies and NBFCs.

Roadmap for implementation of Ind AS by Scheduled Commercial banks, Insurance Companies and NBFCs

The MCA on March 30, 2016, notified the Roadmap for implementation of Ind AS for Scheduled Commercial Banks, Insurance companies and NBFCs from 1st April, 2018.

However, IRDAI vide press release dated June 28, 2017 has deferred the implementation of Ind AS in the Insurance Sector in India for a period of two years and the same shall now be implemented effective from 1st April, 2020.

Key Ind AS adjustments observed in Ind AS Financials of March, 2017

Some key impact areas under Ind AS are as summarised below:

Ind AS 109 Financial Instruments

- Fair value of financial assets / financial liabilities
- Impairment of financial assets – Expected Credit Loss model
- All investments, including unquoted equity shares, except investments in subsidiary/joint venture/ associate, measured, at fair value
- Redeemable preference shares classified as liability and related 'dividend' recognised as interest expense
- Compulsory convertible debentures at fixed conversion ratio classified as equity
- Discounting of security deposits
- Amortised cost for long term financial liabilities

Ind AS 16 Property, Plant and Equipment

- Capitalization of stores and spares which meet the definition of PPE, as per IGAAP were expensed off as repair and maintenance
- Capitalisation of major overhaul expenses
- Capitalisation of present value of



decommissioning/dismantling costs

Ind AS 18 Revenue recognition

- Revenue to be recorded at Fair value of considerations – time value of money to be considered
- Presentation of revenue including excise duty

Ind AS 19 Employees Benefits

- Actuarial gains and loss recognized in equity through Other Comprehensive Income (OCI) rather than in P&L
- Long term employee benefits accrued on constructive obligation basis at discounted values

Ind AS 10 Events after the Reporting Date

- Proposed dividends and the corresponding dividend distribution tax are required to be recognized in the year in which they are declared by companies and not the year to which they pertain. (As per revised AS 4 effective 1 Apr 2016, now the treatment of proposed dividend is in line with Ind AS and IFRS)

Ind AS 12 Income Taxes

- Deferred tax calculation based on Balance Sheet approach while same was based on P&L approach in IGAAP
- Deferred tax recognized on all Ind AS transition date adjustments

Ind AS 20 Government grants

- Asset-related government grant to be set up as deferred income balance and amortised in P&L over the useful life of the asset

Looking ahead

Ind AS impacted every Company in every sector or industry. Investors, stakeholders and other users will see additional disclosures of financial information in the annual reports of companies, which will help

better understand the company's performance and financial position. Phase II Companies are now on transition journey. While the journey for Phase I companies is now expected to be smooth, there may still be challenges arising from future changes to the Ind AS framework, like Ind AS 115 & Ind AS 116. As it is said, end of one journey leads to beginning of another.

An Analysis on Revised Secretarial Standard -1



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The revised versions of Secretarial Standard-1 (SS-1) on Meetings of the Board of Directors has been rolled out by the Institute of Company Secretaries of India (ICSI) after the same was approved by the Central Government. The same is effective from 1st October, 2017.

The key highlights of the revised SS-1 in comparison to the previously issued SS-1 are summarized as below:-

- **Applicability :** A company licensed under Section 8 of the Companies Act, 2013 (the Act) has been specifically exempted from the applicability of SS-1 in addition to One Person Company.
- **Definition of Committee :** The definition of "Committee" has been amended to include only those committees which are mandatorily required to be constituted by the Board under the Act. Earlier all the committees whether mandatory or not, were included in the said definition.
- **Period for Preservation of Proof :** The period for preservation of proof of dispatch and delivery of Notices, Agendas, Notes on Agendas, signed Minutes for meetings, etc. shall be decided by the Board. However, such period shall not be less than three years from the date of the meeting. In the previous SS-1, no time limit was prescribed for preservation of proof of dispatch and delivery of Notices, Agendas, Notes on Agendas, signed Minutes etc.
- **Permission in case of matters not included in Agenda :** As per the earlier provisions, for the matters to be taken up for consideration which were not included in the agenda of a meeting, permission of Chairman along with the consent of majority of Directors present in such meeting including at

least one independent director, was required to be obtained. The requirement for obtaining consent of at least 1 Independent Director has now been dispensed with.

- **Provisions for Holding of Board Meeting :** The requirement for holding at least 1 Board meeting in a Calendar quarter has been dispensed with, which means that a company need not hold a meeting in every calendar quarter as long as it is ensured that at least four meetings are held in each calendar year and the gap between any two consecutive meetings does not exceed 120 days.

- **Maintenance of Attendance Register :** The Companies may maintain a single Register with appropriate bifurcations for meetings of the Board and its Committees, which were previously required to be maintained separately.

- **Leave of absence :** Directors seeking leave of absence, are now required to just communicate to the Company Secretary or Chairman about their intention to seek leave of absence from attending the meeting, including verbal communications. Earlier the request for leave of absence was required to be given by the directors in writing.

Miscellaneous Points :

- Board meetings, including the meetings adjourned due to the want of quorum can now be held on a National Holiday.

- Unlike the earlier provisions, the Chairman of the meeting shall not be permitted to allow any Director of the Company to participate in a Board meeting through electronic mode in the discussion on the items which are restricted to be dealt with in a meeting held through electronic mode as per the Act, such as approval of the annual financial statement, Board's report, prospectus and matters relating to amalgamation, merger, demerger, acquisition and takeover.

Similarly, participation in the discussion through Electronic Mode shall not be allowed in Meetings of the Audit Committee for consideration of annual financial statement including consolidated financial statement, if any, to be approved by the Board.

- A new clause pertaining to the requirement for the Chairman to ensure about the presence of Quorum throughout the meeting and to announce the summary of the decision taken at the end of discussion on each agenda item has been inserted in the revised SS-1.

- With respect to the circulation of signed minutes

to the Directors of the Company, the revised standards have provided an option to the Directors to waive off their right to receive the copies of signed minutes in writing. Accordingly, the signed minutes shall be circulated to all the Directors within 15 days of its signing, except to those Directors who have waived their right to receive the same either in writing or such waiver is recorded in the Minutes.

- A new paragraph has been inserted in terms of which the Board shall include a statement in its Report to the members to confirm that the company is compliant with the applicable Secretarial Standards. Earlier the disclosure was required to be given in the Annual Report and Annual Return of a Company pertaining to the number and dates of Board and Committee Meetings held during a particular Financial Year indicating the number of Meetings attended by each Director.

The Revised SS-1 aim is to provide ease of doing business by considering the stakeholder's feedback on practical difficulties faced during the first time implementation of SS-1.

An Analysis on Revised Secretarial Standard – 2



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The revised version of Secretarial Standard-2 (SS-2) on General Meetings has been rolled out by the Institute of Company Secretaries of India (ICSI) after the same being approved by the Central Government. The same is effective from 1st October, 2017.

The key highlights of the revised SS-2 in comparison to the previously issued SS-2 are summarized as below:-

- **Applicability:** A company licensed under Section 8 of the Companies Act, 2013 (the Act) has been specifically exempted from the applicability of SS-2 in addition to One Person Company.
- **Display of Notices of General meetings, advertisements, etc. on website of the Company, if any:** Companies shall require to simultaneously host the Notices of General meetings and of the General meetings wherein facility of e-voting is provided, notice of postal ballots, advertisements containing particulars of e-voting in connection with the General meetings wherein facility of e-voting is provided, etc. on the website of the

Company. In all cases except notice of postal ballot, the aforesaid details shall remain on the website till the date/ conclusion of the meetings, as the case may be. In case of notice of postal ballot, the details shall remain on the website till the last date for receipt of the postal ballot forms from the members.

- **Exemptions from including route map in the notice of general meetings:-** Following Companies are exempted from including route maps in their notice of General meetings:-

- A company in which only its directors and their relatives are members;

- A wholly owned subsidiary.

- **Convening of Annual General Meeting and Meeting called by the Requisitionists:-** An Annual General Meeting and a meeting called by requisitionists can now be convened on any day (not being a National Holiday), which was earlier restricted to be held only on a Working day. The same is in line with the amendment made in the Rule 17(2) of the Companies (Management and Administration) Rules 2014 vide MCA Notification dated 23.09.2016. Notice of Annual General Meeting shall also specify the serial number of the Meeting.

- **Stating of Resolutions in the notice of Annual General Meeting (AGM) in case of Ordinary Business:** - Previously, for the matters of appointment of auditors or directors other than the retiring auditors or directors, as the case may be, an extract of resolution was required to be stated in the notice of AGM and the same was not required for other items under ordinary business. However, the aforesaid requirement has now been dispensed with and the Companies are not required to state the resolutions in their notice of AGM for any items of ordinary business.

- **Receipt of consent for holding General Meetings at shorter notice:** - The Company may hold any General Meeting at a shorter notice if consent of 95% of members has been received prior to the time fixed for the meeting, which was earlier mentioned as prior to the date of such meeting. However, the company shall ensure compliance of provisions relating to appointment of Proxy unless all the Members entitled to vote at such Meeting, consent for holding the General Meeting at shorter Notice.

- **Proxy Form:** - An instrument appointing proxy shall be in the Form as prescribed under the Act only (viz. Form MGT-11) and not in any other Form and such instrument shall not be questioned on the ground that it fails to comply with any special requirements specified by the Articles of a company Earlier the proxy form could either be in the Form specified by the Articles or in the Form as set out in the Act.

- **Voting Rights of a member to vote on matters to which he/she is a related party:** The new provisions have been inserted to reflect the effect of MCA's Exemption notification dated 5th June, 2015 in respect of Private and Government Companies.

In case of a private company, a member who is a related party shall be entitled to vote on a resolution relating to approval of any contract or arrangement in which such member is a related party.

Further, for the following cases, a new clause has been inserted wherein a member who is a related party is entitled to vote on a Resolution pertaining to approval of any contract or arrangement to be entered into by:

- A Government company with any other Government company; or
- An unlisted Government company with the prior approval of competent authority, other than those contract or arrangements referred in clause (i).

- **Time period for submission of Scrutinizer's report on remote e-voting-** To align with the provisions of the Act, the revised SS-2 has prescribed the period for submission of Scrutiniser's Report to the Chairman or a person authorized by him. As per the revised SS-2, in case of remote e-voting, the scrutinizer's are now required to submit their report on remote e-voting and voting at the meeting, within three days from the date of meeting to the Chairman or a person authorised by him

- **Time Limit for displaying the result of e-voting on the notice Board of the Company:** - The result of the e-voting, with details as prescribed under the Act and standards shall be displayed on the Notice Board of the company at its registered office, Head Office as well as Corporate Office, if any, if such office is situated elsewhere for at least three days. Earlier no minimum time period was prescribed.

Soul Corner

Meditation

The more you meditate, the more helpful you can be to others, and the more deeply you will be in tune with God. Selfish people remain spiritually hidebound, but the unselfish expand their consciousness. When you find your omnipresence in meditation, you will find God. If He is pleased with you, all nature will work in harmony with you. Learn to talk to Him with all your soul. **-ParamahansaYogananda**

Funny Side Up



In a room light goes off. People open their mobile torch by their normal handsets.

Guy with an Iphone X – “please someone show light on my face so that I can unlock my phone”



DATES FOR YOUR DIARY

PF/ ESI	<ul style="list-style-type: none"> • Payment for the month of October 2017 to be made by 15th November 2017. • Payment for the month of November 2017 to be made by 15th December 2017. • Payment for the month of December 2017 to be made by 15th January 2018.
Professional Tax	<ul style="list-style-type: none"> • Payment for the month of October 2017 to be made by 15th November 2017. • Payment for the month of November 2017 to be made by 15th December 2017. • Payment for the month of December 2017 to be made by 15th January 2018.
Advance Tax	<ul style="list-style-type: none"> • Third instalment (for corporate assesseees and for non-corporate assesseees) of Advance income tax for AY 2018-19 to be paid by 15th December 2017
TDS	<ul style="list-style-type: none"> • TDS deducted/collected for the month of October 2017 to be deposited by 7th November 2017 • TDS deducted/collected for the month of November 2017 to be deposited by 7th December 2017. • TDS deducted/collected for the month of December 2017 to be deposited by 7th January 2018. • TDS return for the period July 2017 to September 2017 to be filed by 31st October 2017 and TDS certificate to be issued by 15th November 2017
GST	<ul style="list-style-type: none"> • Payment for the month of October 2017 to be made by 20th November 2017 • Payment for the month of November 2017 to be made by 20th December 2017 • Payment for the month of December 2017 to be made by 20th January 2018 • GST returns for the month of October 2017, namely GSTR- 1 (Outward supply), GSTR- 2 (Inward supply) and GSTR- 3 (Monthly return) to be filed by 10th, 15th and 20th November 2017 respectively • GST returns for the month of November 2017, namely GSTR- 1 (Outward supply), GSTR- 2 (Inward supply) and GSTR- 3 (Monthly return) to be filed by 10th, 15th and 20th December 2017 respectively

	<ul style="list-style-type: none"> GST returns for the month of December 2017, namely GSTR- 1 (Outward supply), GSTR- 2 (Inward supply) and GSTR- 3 (Monthly return) to be filed by 10th, 15th and 20th January 2018 respectively
FEMA	<ul style="list-style-type: none"> Annual Performance Report- APR is to be filed in Form ODI Part II to AD Bank by Indian Party/Resident Individual in respect of each JV/WOS outside India by 31st December each year.

UPDATES FROM OUR GLOBAL ASSOCIATION-MORISON INTERNATIONAL*

- We are pleased to share that Morison KSi has a new member firm Lynx Eyed Chartered Accountants as a member firm in Kabul, in Afghanistan.
- We are pleased to share that Urbina y Asociados, a fast-growing Panama-based firm, has joined Morison KSi, expanding the association's Latin American presence.
- We are delighted to share that Johan De Coster, Partner at Van Havermaet (member firm of Morison Ksi from Belgium) has been appointed judge of the Brussels Commercial Court.
- We are pleased to share that Raju Menon, Chairman and Managing Partner at Morison Menon Group (United Arab Emirates), has been presented with the 'Bharat Samman Award' by the NRI Institute, New Delhi, India.



* MorisonKsi is a global association of independent accountants, auditors, tax advisers, business consultants and lawyers. S.C. Vasudeva & Co. is an independent member of Morison Ksi.



PANORMA

Our senior Partner, Mr. Sachin Vasudeva addressing the audience during VAT Awareness Session at Hotel Sheraton Sharjah. The event was organised by Morison Menon our associate firm in Sharjah.

INSIDE SCV

Glimpses of carrom championship at office



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This newsletter is intended for private circulation and is meant only for clients and old members of the firm.