

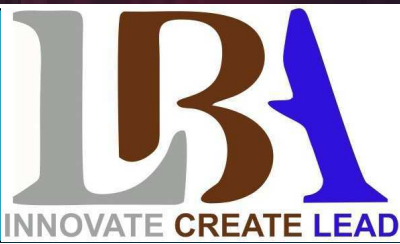
Connection

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Leadership is never an avenue to be self-serving
but, a platform to render great service to people.
~ Ifeanyi Enoch Onuoha

Lalit Bajaj & Associates
Chartered Accountants



LALIT BAJAJ & ASSOCIATES

JUST TO REMINDE YOU

- **Oct 10 - Ex-cise Return for September**
- **Oct 15 - TDS Return for September Quarter**
- **Oct 21 - Payment and Submission of MVAT Returns**
- **Oct 30 - Issue of Quarterly TDS Certificate**

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Communiqué

Dear Seniors, Friends & Colleagues,

Aryabhata, the foremost Mathematician Astrologers findings were based on a principle that every object revolves around another object with more knowledge and brightness, like moon revolves around earth and earth revolves around the Sun. The Government which includes politicians and bureaucrats revolves around our institute and our Professional body considering us to be the most knowledgeable and intelligent group of people. This makes our institute to upgrade our study pattern and material regularly to meet the need of the day.

We as a profession try to do the best as designing the course, as principals giving practical training for three years, facilities of libraries, student conferences to enrich our students. But when it comes to student, they are not so serious about this structure, the way they are serious about classes, they are not so concerned about learning and knowledge as they are concerned about their results. As a result after becoming Chartered Accountants, they settle with a branded institution, work profile which they are not much interested into and remuneration with a higher take home. In the process they may loose lot many opportunities having a scope in the long run to build them into thorough accounting professional.

Working for two years after becoming Chartered Accountants with an SME with limited resources, looking towards us for system integration, Financial Modeling, Accounting support, etc can give a larger exposure to the incumbent professional and built in confidence to handle the same exposure in a larger organization.

Professional Development Committee of WIRC have undertaken the task to create awareness among SME's about the services a Chartered Accountant can provide both as an executive and as a consultant.

Wishing you all a very auspicious and delightful Navratri!!

Best Wishes

Team **Connection**

Information Technology in Accounting

Introduction

Accounting is the art of recording, classifying and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of financial character, and interpreting the results thereof. Accounting can also be referred to as an information system that measures, processes and communicates financial information about an economic entity. Advancements in information technology have dramatically improved accounting systems and transformed economic life. Computers and other digital technologies have increased office productivity facilitating the rapid exchange of documents, research, collaboration with far-flung partners and the collection and analysis of data. Information technology gave all sorts of individual economic actors the new valuable tools for identifying and pursuing economic and business opportunities.

Types of Accounting Information Systems

In general terms, business entities use three types of information systems namely manual system, computer-based transaction systems and database systems.

Manual System

This is the first type of accounting system. It utilizes paper-based journals and ledgers. Nowadays, Computer-based transaction systems replaced some paper records into computer records. Man-

ual system is labor intensive for this system relies on human processing. Because manual system relies on human processing, they may be prone to error.

Computer-Based Transaction System

Organizations employ multiple forms of information technology in their accounting information system. Because of the advancements in information technology computer-based transaction system were created. In this system, accounting data are kept separately from other operating data. At this point, there is a greater degree of compartmentalization of work in order to preserve the integrity of accounting information system. Treatment of information is the same with that of the manual system. The only difference is that the user here is simply filling in a computer screen that looks and often times acts as the source document of the transaction. The following are the advantages of computer-based transaction system as described by Ballada, 2011. Transactions can be quickly posted to the appropriate accounts, by passing the journalizing process; detailed listings of transactions can be printed for review anytime; internal controls and edit checks can be used to prevent and detect errors and; a wide variety of reports can be prepared. Accounting packages are available in the market. This consists of a module that deals with the business

accounting systems. A simple accounting package might also contain one module or also referred to as stand-alone module. But most of the time, it will consist of several modules. Examples of this are the QuickBooks and Peachtree.

Database Systems

This system reduces inefficiencies and information redundancies. Relational database systems such as enterprise resource planning (ERP) depart from the accounting equation method of organizing data. This system captures both financial and non-financial data, and then it stores that information in the data warehouse. The advantages of this system include recognition of business rather than just accounting events; the support in the reduction in operating inefficiencies and; the elimination of data redundancy.

Features of Information Technology in Accounting

Speed

Speed is the hallmark of information technology. The utilization of multiple technologies results in faster and more accurate results. However, keep in mind that each piece of technology purchased, be it hardware or software must be compatible to deliver the best performance. If one piece malfunctions or is not usable, the system is not effective. For example, if the network holding accounting application fails, then work gets bogged down and the system is not



“Speed is the hallmark of Information Technology”



effective. In order to be effective as far as speed is concerned, the accounting system should work seamlessly with proper hardware and backup systems.

Accuracy

Accounting work is very detailed and accuracy in recording and reporting is greatly valued. Technology has had a positive effect in accounting applications because calculations done by a computer program experience very few errors. For example, an invoice may have several line items and sales taxes associated with it. If the invoice is to be developed manually, the likelihood for errors is high, but that is not the case if software is used with a proper setup.

Flexibility

An accounting department also needs flexible technology that can adapt as business practices change. To be effective, information technology associated with accounting must be flexible to accommodate the changes. Software, for instance, must be able to be updated to offer new processes, such as credit card processing, and the ability to send invoices online. Otherwise, the software will become obsolete. Accountants also use software for taxes and other accounting needs that change often. Technology must be nimble enough to catch up with the changes.

Cloud

The latest trend with accounting applications is Web hosting off-site. Instead of installing a program onto your computer and saving data there, the program resides on a server in a different location; the saved information is accessed via the Internet. That's also called "working in the cloud." Businesses can save money in software and hardware purchases by signing up with a cloud provider

and using its programs and space for saving data, meaning there is no need to get a bigger hard-drive or worry about program versions. The other advantage of the cloud is that you have access to your information anywhere you may be.

Considerations

Information technology is not perfect. Many times, problems with connections, compatibility and other technical issues affect how accounting processes are performed or if they are performed at all. In order to make technology effective in accounting with minimum down-time, businesses should have a plan to deal with electrical problems, Internet connection malfunctions and computer viruses. Critical accounting functions, such as payroll, should have at least two options for processing. Thus, if data is generally transmitted via Internet, arrange for the information to be called or faxed in as well, just in case something happens to the computer or Internet connection.

Equipment

The most obvious impact of technology in accounting is the presence of computers, printers, scanners and faxes. Information technology (IT) transformed the accounting world no more green paper sheets and pencils. The good news is that prices are affordable on most of the equipment. It is not just for large corporations; small business can get IT equipment easily and at a reasonable cost. The machines are sophisticated, fast and easy to use.

Software

Besides the equipment, accountants appreciate the software. For example, spreadsheet programs are highly efficient at helping accountants with calculations and reporting. There are accounting programs in the market that are easy to use and affordable, mak-

ing them very popular with small businesses. Software can help accountants in their daily tasks, such as paying bills, recording transactions and reporting. The program keeps all data organized and in a centralized location.

Internet

The Internet opened many doors and made life easier in many ways, especially in the accounting area, where documents can be shared, research can be conducted and taxes can be filed-all online. Connection to the Internet can be wireless and simple. Businesses have to buy software to run some programs. Instead, some sites host the programs online, where files also can be saved.

Security

Information technology is used widely in accounting security. Identifications and passwords limit access to confidential information. Instead of binders and papers lying around, security can be greatly enhanced with the proper computer programs. Using a program, accounting information can be encrypted in a way to prevent unauthorized use, making it quite safe. A lost, stolen or misplaced laptop or desktop computer can be tracked using security software that can be activated remotely.

Education

Because of the close synergy between accounting and information systems, many universities have started offering four-year degrees in "accounting and information systems" or "accounting information systems." Quite a few universities offer a major in accounting and a minor in



“Technology has had a positive effect in accounting applications”



information systems. The program usually includes the typical accounting concepts and IT. The accountant of the present and future must be technologically savvy to be relevant, and the universities are preparing new graduates for this challenge.

Conclusion

Information technology advancements have greatly helped the accounting systems of business entities. Because of today's computerized accounting information systems, business performance seems to improve. Many transaction processes were simplified thus creating efficient operations. The affordability of computer technology for small business entities creates great opportunities for these entities to improve

their business. Information technology advancements made effective and efficient information flow that enhances managerial decision-making, thereby increasing the firm's ability to achieve corporate and business strategy objectives. This in turn, may increase the prospects of the firm's survival. Information technology applied in accounting is not perfect. Sometimes we must consider the fact that they are just piece of technology. With regards to the accounting information system of a business, these systems greatly help in the accounting processes. However, we must consider the possibility that the system might be ineffective sometimes, same with some accounting software.

Business entities much choose compatible systems and software for them to be effective. In these advanced days in information technology, computers have improved the accounting processes but computers can't replace the role of man in the accounting systems.



Advisory on Service Tax Returns

1. (a) Assessee can e-file Service Tax Return (ST-3) for the period April, 2015 to September, 2015 now through offline or online version. The last date of filing the ST-3 return, for the return period April, 2015 to September, 2015 is 25th October, 2015. However, to avoid congestion and inconvenience in the last minute, assesses who wish to file their ST-3 for the said period are advised to start e-filing the returns immediately and not to wait till the last date. The assesses can file return either online or use the offline utility by downloading the latest version No. V1.4 from <http://acesdownload.nic.in/> or from

'DOWNLOADS' Section of ACES website.

(b) Help Desk: In case of any difficulty in accessing the ACES Application or in filing the ST-3 returns, the assesses can contact the ACES Service Desk either by sending e-mail to aces.servicedesk@icegate.gov.in or by calling up National Toll-free number 1800 425 4251. The ACES Service Desk functions on working days from Monday to Friday between 9 AM and 7 PM and on Saturdays between 9 AM to 2.30 PM. However, in the month of October, 2015, the Service Desk will remain open from 9AM to 7PM on all

Saturdays and on 25-10-2015, the last Sunday of the month. Since, 21st to 23rd October, 2015 are closed holidays, Service Desk will remain open on 22nd October, 2015.



Service Exports from India Scheme



Introduction

- Service Exports from India Scheme (in known as SEIS) has been announced by the Government in the new Foreign Trade Policy 2015-2020, w.e.f. 1.4.2015.
- It has replaced Served From India Scheme (SFIS) which was available under the Foreign Trade Policy 2009-2014.

Features of the Scheme at a glance

- The scheme has come into effect from 01.04.2015 i.e. the rewards are admissible on exports of notified services on or after 01.04.2015.
 - It applies to 'Service Providers located in India' instead of 'Indian Service Providers'.
 - The scheme provides for rewards, in the form of Duty Credit Scrips, to Service providers providing notified services (Notified by the Public Notice No. 3/2015-2020, dated 1.4.2015) from India, regardless of the constitution or profile of the service provider.
 - The present rates of reward are 3% and 5% of Net Foreign Exchange Earned.
 - The scheme has removed various kind of restrictions on use of scrip issued under this scheme, which are freely transferable.
- Scrips can be used for payment of -
 - Customs duties for import of inputs or goods including capital goods, except items listed in Appendix 3A;
 - Payment of excise duties on domestic procurement of inputs or goods, including capital goods and
 - Payment of service tax on procurement of services
 - Payment of customs duty and composition fee in case of Export Obligation defaults.
 - Debits under Duty Credit Scrips are eligible for CENVAT credit or drawback. However, Basic custom duty paid through debit is eligible for drawback.
 - Certain services categories are specified as not eligible for benefit under the Scheme (Para 3.09 of the Policy).
 - The services and rates of rewards notified are applicable for services export made between 01.04.2015 to 30.09.2015 only. The list of services/rate is subject to review with effect from 01.10.2015.
- ### Eligibility Criterion for Reward under the Scheme
- Service Providers of notified services must be located in India.
 - However, only Services rendered in -
 - Mode 1: Cross Border Trade - Supply of a 'service' from India to any other country and
 - Mode-2: Consumption abroad - Supply of a 'service' from India to service consumer(s) of any other country in India, are eligible.
 - Provision of service through -
 - Mode 3 - Commercial Presence - i.e. Supply of a 'service' from India through commercial presence in any other country and
 - Mode4 - Presence of natural persons i.e. Supply of a 'service' from India through the presence of natural persons in any other country, is not eligible for reward under the scheme.
 - The notified services and rates of rewards are listed in Appendix 3D.
 - Service provider should have minimum net free foreign exchange earnings of US\$15,000 in preceding financial year for eligibility under the Scheme. But for Individual Service Providers and sole proprietorship, it is US\$10,000 in preceding financial year.
 - Scheme provides for specifying a list of services in Appendix 3E, in



Foreign
Trade
Policy

case of which service charges earned in Indian Rupees shall be treated as receipt in deemed foreign exchange as per RBI guidelines. The Appendix is yet to be notified.

- Net Foreign Exchange earnings for the scheme is defined as under:
- Net Foreign Exchange = Gross Earnings of Foreign Exchange minus Total expenses / payment / remittances of Foreign Exchange by the IEC holder, relating to service sector in the Financial year.
- E.g. In case of IEC holder being manufacturer of goods as well as service provider, then the foreign exchange earnings and total expenses / payment / remittances for service sector shall only be taken into account.
- To claim reward, Service provider is required to have an active IEC at the time of rendering such services.

Important Procedural Aspects of the Scheme

Filing of Application

- An application for grant of duty credit scrip for eligible services rendered shall be filed online for a financial year on annual basis in ANF 3B using digital signature.
- RA shall process the application received online after due scrutiny.

Transitional Arrangement

- Upto 30.6.15, applicants in respect of exports on which SFIS is claimed has following choices:-

To file applications in the manner prescribed in the previous policy(ies)

To file application under new procedure prescribed (under HBP 2015-2020) for SEIS

- From 1.7.2015, all applications to be submitted under new procedure only.

Last date of filing of application for Duty Credit Scrips

- 12 months from the end of relevant financial year of claim period.
- Wherever any application complete in all respects is received after expiry of last date for submission of such application, the application

may be considered after imposing a late cut in the following manner:

Application received after the expiry of last date but within six months from the last date - 2%

Application received after six months from the prescribed date of submission but not later than one year from the prescribed date - 5%

Application received after 12 months from the prescribed date of submission but not later than 2 years from the prescribed date - 10%



Validity period of Duty Credit Scrips and Revalidation

- Duty Credit Scrip to be valid for a period of 18 months from the date of issue and must be valid on the date on which actual debit of duty is made.
- Revalidation of Duty Credit Scrip shall not be permitted unless validity has expired while in custody of Customs Authority/RA.

Modification in IEC

The new format of online application form for issue/modification in IEC has been notified vide Public Notice No. 76 dated 27.11.2014. Subsequently online application for IEC was operationalised w.e.f. 01.02.2015 vide Public Notice. No.83 dated 30.01.2015.

2. Now, in exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy (2009-2014), the Director General of Foreign Trade hereby notifies operationali-

sation of modification in e-IEC's as well as the IEC's issued in physical format from the 21st of September, 2015.

3. Applicants seeking modification in their IEC's may log on to dgft.nic.in and click on Importer Exporter Code (IEC) under Quick Links and select "Modify your IEC" to amend their e-IEC's and IEC's in physical format. Henceforth all modifications in e-IEC's/ IEC's would be done online only.

4. The fees for modifications in e-IEC's/IECs is Rs.200/- and fees can be paid online through net banking or through credit/debit cards.

5. Effect of this Public Notice: Modifications in Electronic IECs as well as physical IECs will now be carried out online. Applicants can seek modifications in their e-IEC's/ IEC's by paying a fee of Rs.200/- online from the 21st of September, 2015.



Filing of Service Tax Returns

Every person liable to pay service tax has to submit half yearly return in **form ST-3** within 25 days of the end of the half-year, as per rule 7 of Service Tax Rules, 1994, read with section 70(1) of Finance Act, 1994. Similarly, Input Service Distributor (ISD) is also required to file half yearly return, even if he is not liable to pay service tax.

Automation of Central Excise and Service Tax (ACES):

- In continuation of its efforts for trade facilitation, Central Board of Excise and Customs (CBEC) had rolled-out a new centralized, web-based and workflow-based software application called Automation of Central Excise and Service Tax (ACES) in the year 2009. ACES has automated the major processes of Central Excise and Service Tax - registration, returns, accounting, refunds, dispute resolution, audit, provisional assessment, exports, claims, intimations and permissions. The ACES application has interface for Central Excise Assesseees, Service Tax Assesseees, Central Excise Departmental Officers and Service Tax Departmental Officers.

Registration in ACES: - To transact business online under ACES, all users have to first register with ACES. To register under ACES, the assessee needs to log onto the system, through internet at <http://www.aces.gov.in>. Registration in ACES is a onetime affair.

Steps for preparing and filing returns: - E-filing of return is

mandatory w.e.f. 1st October, 2011 in respect of all assesseees as per Rule 7(3) of Service Tax Rules, 1994. The assesseees can electronically file statutory returns of Central Excise and Service Tax either online or through offline return utilities which can be filled-in-off-line and uploaded to the system through the internet. Few steps for filing of returns are mentioned below:

- Returns can be prepared and filed online by selecting the "**File Return**" option under **RET** module after logging into the ACES.
- Returns can also be prepared and filed offline. The Assessee needs to download the Offline return preparation utility available at <http://www.aces.gov.in> (Under Download) and prepare the return offline using this utility.
- Selects **RET** from the main menu and uploads the return.
- Returns uploaded through this procedure are validated by the ACES before acceptance into the system which may take up to **one business day**.
- The status will appear as "**uploaded**" meaning under process by ACES, "**Filed**" meaning successfully accepted by the system or "**Rejected**" meaning the ACES has rejected the return due

to validation error. The rejected returns can be resubmitted after corrections.

- On the successful submission of a return, an acknowledgment with a number in the format "**registration number_Type of return_Month and Year of the return**" will be shown.
- The Service Tax revised returns can be filed once as per rules up to 90 days from the date of filing the initial return.
- There is no provision for submission of revised return after 90 days. In such cases, if assessee finds that he has made some mistake, he should pay the amount by GAR-7 challan with Interest and inform department suitably.

Responsibility of the Assessee:

- It is the legal responsibility of the assesseees, who are required to file returns, to file it within the due date as prescribed under law. It may, however, be noted that merely uploading the returns will not be considered as returns having been filed with the department. A return will be considered as filed, when the same is successfully accepted by the application as "**Filed**" and the relevant date for determining the date of filing of return will be the date of uploading of such successfully "**filed**" returns. In case a return is "rejected" by the application, the date of



"Service Tax Return in Form ST-3 within 25 days of the end of the half year"



uploading of the rejected return will not be considered as the date of filing, rather the date of uploading of the successfully “filed”, return (after the assessee carries out necessary corrections and uploads it again) will be considered as the actual date of filing.

Even if there was no business during the period, assessee will have to file ‘NIL’ return as long as registration certificate is valid.

Late fee and penalty for filing late return: – Section 70(1) of Finance Act, 1994, as amended w.e.f. 08.04.2011 provides that in cases where returns are filed after due date, late fees not exceeding Rs.20,000/- is payable for delayed filing of return, as may be prescribed. The late fee payable is as follows – (a) Delay up to 15

days – Rs.500/- (b) Beyond 15 days and up to 30 days – Rs.1000/- (c) Delay beyond 30 days – Rs.1000 plus Rs.100 per day of delay beyond 30 days, from 31st day onwards. This Rs.100 per day continues till limit of Rs.20,000 is reached.

If return of Service Tax is not filed within prescribed period, penalty is leviable u/s 77(2) which can be up to Rs.10000/-. If late fee is paid, penalty will not be imposed.

Help for Assessee: – CBEC has set up a Service Desk with National toll-free No. 1800 425 4251, which can be accessed by between 9 AM to 7 PM on all working days (Monday to Friday). Besides, e-mails can be sent to aces.servicedesk@icegate.gov.in. All the calls/emails will be issued

a unique ticket number, which will be attended to by the Service Desk agents for appropriate response.



CBDT Simplifies Form No. 15G and 15H

Government Simplifies the Format and Procedure for Self Declaration in form No.15G or 15H to Reduce the Cost of Compliance and Ease the Compliance Burden for both, the Tax Payer and the Tax Deductor; Procedure for Submission of the Forms by the Deductor also Simplified;

Payee Can Submit the Self-Declaration Either in Paper form or Electronically; the Deductor will Not Deduct Tax and will Allot a Unique Identification Number (UIN) to all Self-Declarations in Accordance with a well Laid Down Procedure to be Specified Separately.

Tax payers seeking non-deduction of tax from certain incomes are required to file a self declaration in Form No. 15G or Form No.15H as per the provisions of Section 197A of the Income-tax Act, 1961 ('the Act'). In order to reduce the cost of compliance and ease the

compliance burden for both, the tax payer and the tax deductor, the Central Board of Direct Taxes (CBDT) has simplified the format and procedure for self declaration in Form No.15G or 15H. The procedure for submission of the Forms by the deductor has also been simplified.

Under the simplified procedure, a payee can submit the self-declaration either in paper form or electronically. The deductor will not deduct tax and will allot a Unique Identification Number (UIN) to all self-declarations in accordance with a well laid down procedure to be specified separately. The particulars of self-declarations will have to be furnished by the deductor along with UIN in the Quarterly TDS statements. The requirement of submitting physical copy of Form 15G and 15H by the deductor to the income-tax authorities has been dispensed with. The deductor will,

however be required to retain Form No.15G and 15H for seven years.

The revised procedure shall be effective from the 1st day of October, 2015.



CBDT extends due date all over India to 31.10.2015

The issue of extension of last date for e-filing returns of income and audit reports u/s 44AB due by 30th September, 2015 has been the subject matter of litigation in various High Courts across the country. While some High Courts have ruled in favour of the extension of due date, some others have ruled otherwise. In order to avoid discrimination between taxpayers residing in different jurisdictions and to be fair to all, and also in view of paucity of time to approach the Hon'ble Supreme Court by way of Special Leave Petition, the Government has decided that across the country, all the

returns of income and audit reports u/s 44AB which were due for e-filing by 30th September, 2015, may now be filed by 31st October, 2015.

Necessary order u/s 119 of the Income-tax Act, 1961 has been issued by CBDT in this regard.

Order under Section 119 of the Income-tax Act, 1961

In supersession of orders under Section 119 of the Income-tax Act, 1961 (‘Act’) dated 30th, September, 2015 vide file of even number, the Central Board of Direct Taxes, in exercise of powers conferred under Section 119 of the Act, hereby orders

that the returns of income and audit reports u/s 44A13 due for e-filing by 30th September, 2015 may be filed, across the country, by 31st October, 2015.



Internal Financial Controls

What is IFC?

As enumerated under Sec 134(5) of Companies Act, 2013(“Act”) , the Directors Responsibility Statement shall include a declaration from Director that internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Thus as stated in the explanation under the said section : IFC “means the **policies and procedures** adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and com-

pleteness of the accounting records, and the timely preparation of reliable financial information”

Why IFC?

Since the Act, envisages significant changes in the provisions related to governance, e-management, compliance and enforcement, disclosure norms, auditors and mergers. The Internal Control will enhance the applicability of provisions of the Act. It would give more power in the hands of shareholders and the Government.

IFC gained its importance after Satyam imbroglio which erupted in 2009. Internal financial controls are designed to provide reasonable assurance that a company’s financial statements are reli-

able and prepared in accordance with the law.

Provisions under Act for IFC

1. Section 134 of the Act

In case of Listed Companies the Directors responsibility statement states that IFC shall be followed by the company and all the IFC are adequate and were operating effectively.

2. Section 143 of the Act

Pursuant to Sec 143(3) (i) has stated that the Auditors report shall state whether the company has adequate IFC system in place and the operating effectiveness of such controls

3. Section 177 of the Act

As per Sec 177(5) the Audit Committee shall call for the Comments of the Auditors



about Internal Control system before submission to the Board.

Pursuant to Sec 177(4) (vii), the Audit Committee shall act in accordance with the terms of reference specified in writing by the Board pertaining to evaluation of IFC

4. As per Section 149(8) of the Act, which states the company and Independent Directors have to abide by Schedule IV, the said schedule has put the onus on Independent Directors to satisfy themselves with financial control and risk management are robust and defensible

New Provisions on Act for Internal Control

Inclusive definition of KMP has makes them liable in the event of default. As defined in Sec 2(51) of the Act KMP would include the Chief Executive Officer or the managing director or the manager; the company secretary; the

whole-time director; the Chief Financial Officer; and such other officer as may be prescribed. In case of Sec 2(60) of the Act the Officer in Default includes KMP thus the onus on KMP has increased to maintain the compliance of Internal Controls.

Precisely defining Independent Director under Sec 2(47) of the Act, setting up criteria under Sec 149(6) for appointment of Independent Director and a specific composition of Board has enhanced the involvement of all Directors has envisaged prompt and transparent decision making.

Class Action Suits according to Sec 245 of the Act, CAS can be filed against Company, Directors, Audit Firms, Expert, Advisor, Consultant or any other person and appointment of small shareholder director has enhanced the participation and accountability of stakeholders

Whistle Blower Policy under Sec 177(9)

Setting up of NCLT/NCLAT a specialized quasi-judicial body to faster and prompt resolution of corporate issues.

Disclosures

Directors Responsibility Statement

Maintenance of Electronic Records

Disclosure as per Clause 55 of Listing Agreement

Tenure of Auditors and not refrain then for rendering certain services

Secretarial Audit as per Sec 204 of the Act

Conclusion

The Concept of IFC is in promoting good governance, total transparency, integrity and accountability of management and the board of directors

Regularisation of Assets held abroad

The Government of India has enacted The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (Black Money Act) on May 26, 2015 to address the issue of undisclosed assets held abroad. It provides for separate taxation of income and assets acquired abroad from income not disclosed but chargeable to tax in India.

2. To effectively deal with assets held abroad by persons resident in India in violation of the Foreign Exchange Management Act, 1999 (FEMA) for which declarations have been made and taxes and penalties have been paid under the provisions of the Black Money Act, Reserve Bank has issued the Foreign Exchange Management (Regularization of assets held abroad by a person resident in India) Regulations, 2015 notified

though Notification No. FEMA 348/2015-RB dated September 25, 2015 vide G.S.R. No. 738 (E) dated September 25, 2015.

3. Accordingly, it is clarified that:

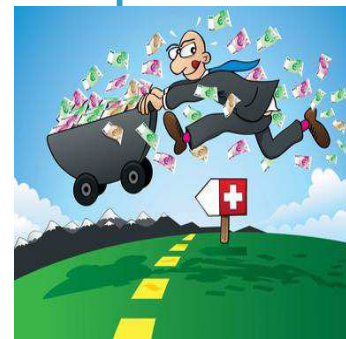
a) No proceedings shall lie under the Foreign Exchange Management Act, 1999 (FEMA) against the declarant with respect to an asset held abroad for which taxes and penalties under the provisions of Black Money Act have been paid.

b) No permission under FEMA will be required to dispose of the asset so declared and bring back the proceeds to India through banking channels within 180 days from the date of declaration.

c) In case the declarant wishes to hold the asset so declared, she/he may apply to the Reserve Bank of India within 180 days from the

date of declaration if such permission is necessary as on date of application. Such applications will be dealt by the Reserve Bank of India as per extant regulations. In case such permission is not granted, the asset will have to be disposed of within 180 days from the date of receipt of the communication from the Reserve Bank conveying refusal of permission or within such extended period as may be permitted by the Reserve Bank and proceeds brought back to India immediately through the banking channel.

4. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.





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Innovate Create Lead

ICAI amends Website Guidelines

It is hereby announced that the Council at its 345th Meeting held on 14th – 16th August, 2015 decided to amend the ICAI Website Guidelines, based on the recommendations of the Ethical Standards Board. The amendment has been carried out between paras 6(ix) and (7) of the Website Guidelines, and is shown in bold hereunder:-

“6(ix) Nature of assignments handled (to be displayable only on specific “pull” request). Names of clients and fee charged cannot be given.

Note: Disclosure of names of clients and/or fees charged, on the website is permissible only where it is required by a regulator, whether

or not constituted under a statute, in India or outside India, provided that such disclosure is only to the extent of requirement of the regulator.

Where such disclosure of names of clients and/or fees charged is made on the website, the member/ firm shall ensure that it is mentioned on the website [in italics], below such disclosure itself, that “This disclosure is in terms of the requirement of [name of the regulator] having jurisdiction in [name of the country/ area where such regulator has jurisdiction] vide [Rule/ Directive etc. under which the disclosure is required by the Regu-

lator].

(7) Since Chartered Accountants in practice/firms of Chartered Accountants are not permitted to use logo with effect from 1st July, 1998, they cannot use logo on Website also.”



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