

SBS ^{Interns'} Digest

An attempt to share knowledge

By

**Interns of
SBS and Company LLP**

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AUDIT

OVERVIEW ON BANK GUARANTEE

Contributed by Monika. A & Vetted by CA Bhyrav |

Introduction:

Guarantee

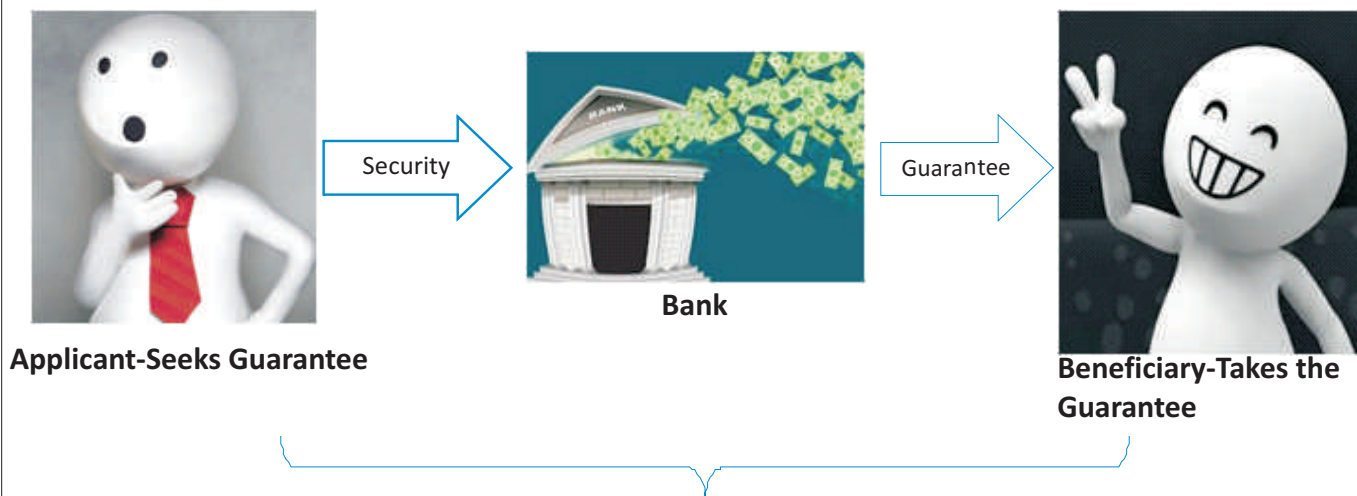
A formal **Assurance** (typically in writing) that certain conditions will be fulfilled, especially that a product will be repaired or replaced if not of a specified quality.

General Law: An undertaking to answer for the payment or performance of another person's debt or obligation in the event of a default by the person primarily responsible for it.

Indian Contract Act, 1872: Sec 126 defines “contract of guarantee” as a contract to perform the promise, or discharge the liability, of a third person in case of his default.

Thus, a contract of guarantee is a **collateral contract**, consequential to a main contract between the applicant and the beneficiary.

Now let us Understand, what is a Bank Guarantee?



Transaction

A bank guarantee is a written contract given by a bank on the behalf of a customer in which the Bank would fulfil the obligations of the debtor(its customer) if the debtor fails to do so. In return, a bank gets some commission for issuing the guarantee. Bank Guarantee is a Tripartite Agreement between the Banker, the Beneficiary and the Applicant.

In effect, the bank guarantee acts as a promise that in case the liabilities of the debtor/applicant are not met, the contractual liability will be met by the bank. It is to be noted that the obligation to pay is not of the applicant, but of the bank since bank acts as the guarantor.

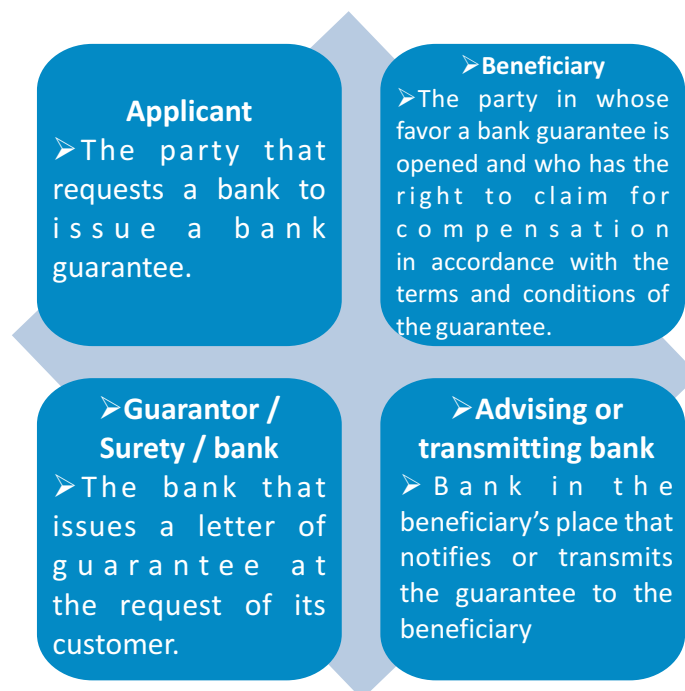
Bank guarantee is an important banking arrangement and plays a vital role in promoting international and domestic trade.

How Bank Guarantees Work and Who Uses Them:

Bank guarantees are often part of arrangements between a small firm and a large organization – public or private. The larger organization wants protection against counter party risk, so it requires that the smaller party receive a bank guarantee in advance of work. Bank guarantees can be used by a variety of parties for many reasons:

- Assure a seller that a purchase price will be paid on a specific date.
- Function as collateral for reimbursing advance payment from a buyer if the seller does not supply the specified goods per the contract.
- A credit security bond that serves as collateral for repaying a loan.
- Rental guarantee that serves as collateral for rental agreement payments.
- A confirmed payment order – an irrevocable obligation, in which a bank pays the beneficiary a set amount on a given date on the client's behalf.
- Performance bond that serves as collateral for the buyer's costs incurred if services or goods are not provided as contractually agreed.
- Warranty bond that functions as collateral, ensuring ordered goods are delivered, as agreed.

Parties to Bank Guarantee:



Scope of bank guarantee:

- An Agreement Enforceable by Law is a Contract -The Indian Contract Act 1872
- All Rupee/ INR Guarantees covered under The Indian Contract Act 1872.
- All FCY Guarantees governed as per Notification No. FEMA.8/2000-RB dated 3rd May 2000
- ICC Publication: URDG – Uniform Rules for Demand Guarantees 758 ICC

Features of Bank Guarantee: Bank Guarantees are undertaken specifically for a purpose; where an account holder will instruct his bank to issue a guarantee to another bank on behalf of their account holder.

1. The bank will hold adequate assets of the account holder as security for the Bank Guarantee.
2. Bank Guarantees cannot be transferred to third parties unknown to the banks.
3. They cannot be bought or sold.
4. They are not tradable securities.
5. They are issued for a specific time period.
6. Upon Expiry, Bank Guarantees are terminated, they are not traded.
7. A Bank Guarantee has no end value and does not accumulate any investment element or maturity value.
8. They should not be considered as 'investment notes.
9. Banks do not issue them to raise money and should not be confused with Medium Term Notes (MTNs).
10. The strength of a Bank Guarantee is limited to the financial standing (and rating) of the Issuing Bank.

Procedure for Applying for a Bank Guarantee:

- **Who can Apply for a Bank Guarantee:** Anyone can apply for a Bank Guarantee, if he or she has obligations towards a third party for which funds need to be blocked in order to guarantee that he or she fulfils its obligations.
- **Requirements:** To have a current account in that Bank.
- **Procedure:** To request a guarantee, the account holder contacts the bank and fills out an application that identifies the amount of and reasons for the guarantee. Typical applications stipulate a specific period of time for which the guarantee should be valid, any special conditions for payment and details about the beneficiary.
- **Conditions to be fulfilled:** Sometimes the bank requires collateral Security. This can be in the form of a pledge agreement for assets, such as stocks, bonds or cash accounts. Illiquid assets are generally not acceptable as collateral.
- Bank guarantees are not limited to business customers; individuals can apply for them as well. However, businesses do receive the vast majority of guarantees.

Checklist for guarantee issuance by Bank:

The guarantee request should be checked with reference to the following points.

- ✓ The request should specify the currency, amount, expiry date, claim period, and beneficiary's name and address;
- ✓ The various clauses in the text of the guarantee should not be contradictory.
- ✓ The guarantee should not be open ended.
- ✓ The text of the guarantee should end with standard limitation clause. (SRC).
- ✓ Where the text of the guarantee has been provided by the customer and contradictory/onerous clauses are noticed, the customer has to be contacted for suitable clarification.

Types of Bank Guarantees:

- **Performance Guarantee** In cases where, the buyer incurs cost and the seller does not deliver goods or services as promised in the contract.
Invocation: A performance guarantee is typically invoked if the buyer incurs cost and the seller does not deliver goods or services as promised in the contract
- **Bid Bond Guarantee** Bid bonds are used to ensure that the winning bidder performs as per the tender terms after winning the tender.
Invocation: In case a winning bidder does not perform the tender requirements as stipulated, then the tender issuer can invoke the bank guarantee and fully or partially forfeit the amount.
- **Financial Guarantee** Financial guarantee is an undertaking from a bank to take responsibility for another company's financial obligation if that company does not meet its responsibility.
Invocation: Financial guarantees are mostly given between two related parties, i.e., a partner company providing financial guarantee to a subsidiary company.
- **Advance Payment Guarantee** An advance payment guarantee is used to protect the advance payment made by a buyer to a seller. Advance payment guarantees are used in international trade transactions and domestic transactions wherein large advance payments are made to a vendor.
Invocation: In case the seller fails to deliver goods or services as per the terms and conditions of a trade transaction, then the buyer can invoke the advance payment guarantee to recover full or partial advance payment made to the seller.
- **Foreign Bank Guarantee** Foreign bank guarantees are used in international trade. Foreign bank guarantees are issued for the benefit of a foreign beneficiary.

Advantages of a Bank Guarantee:➤ ***Reduction of Financial Risk:***

The seller, after obtaining bank guarantees, are ready to supply goods. It brought down their financial risk to a substantially low level.

➤ ***Increased opportunities for Applicant:***

By having bank guarantees with itself, a business can grasp opportunities in the market which were earlier not available to it.

➤ ***Lower fees charged by the bank:***

The fees charged by the banks are also very nominal. It ranges from about 0.5% – 1% of the amount guaranteed by the bank. Due to its nominal nature, the fees do not have a significant impact on the profits of the business.

➤ ***No need for advance payments-for Buyer:***

It means that the buyer can defer his cash outflow to a later date. By deferring payments, the available funds can be utilized currently to fuel extra growth.

➤ ***Increased credibility:***

The credibility of the entity enhances as it is backed by the banks. The banker's trust would reflect that the performance of the business is great and that there is no risk of default.

➤ ***Less documentation:***

Only the information about the concerned parties, the details about the transaction about which guarantee is sought, financials of the applicant are generally demanded by the banks. The level and extent of documentation may change depending on the lender's policy and period of credit.

Disadvantages of bank Guarantee➤ ***Strict assessment by banks:***

The bank makes an elaborate financial analysis of the applicant before issuing such guarantee. Sometimes, this process becomes quite complicated which ultimately leads to either obtaining no guarantee or causes hindrances in obtaining a guarantee.

➤ ***Financial considerations:***

Businesses which operate on a low margin of profit are hesitant of taking bank guarantees as their margins are not significant enough to absorb fees.

➤ **Collateral:**

Pledging collateral security with a bank would reduce the company's strength to finance its working capital in future.

Conclusion:

Bank guarantee has its own merits and demerits. Before applying for bank guarantee, a business must make a complete analysis of its financial situation and requirements. The decision of obtaining bank guarantee must be thoughtful keeping in mind the risks involved, the forecasted business performance as well as the stability of the business. The benefits of a bank guarantee like smooth domestic or international trade, expansion of operations, enhancement of creditworthiness etc should also be considered.

In our Next article we will be discussing about ***How to conduct an Audit of Bank Guarantee.***

The Article is written by referring to:

- Investopedia
- efinancemanagement.com -Author: Sanjay Bulaki Borad
- The wealth Economic times

This article is contributed by Monika. A, Intern of SBS and Company LLP. The author can be reached at interns@sbsandco.com

DIRECT TAX

STATEMENT OF FINANCIAL TRANSACTIONS (FORM 61A)

Contributed by Murali Krishna. C & Vetted by CA Madhusudan & CA Ramprasad |

Introduction:

The Government of India along with Ministry of Finance has taken numerous initiatives towards eradicating black money and Money laundering activities, out of that one of such initiative is to identify the transactions which are route cause for Tax Evasion by regulating the business transactions, through vesting some legal provisions on the taxpayers to report those transactions regardless of the tax impact. This could create a base of Information wherefrom Central Board of Direct Taxes (CBDT) can go to the bottom of the matter and detect pilferage of tax, if any.

In order to achieve this, CBDT has notified the Section 285BA in Finance Act 2003 w.e.f. 01-04-2004, under which “**Annual Information Return (AIR)**” need to be filed.

Later, In Finance Act 2014 w.e.f. 01-04-2015, Section 285BA is renamed as ‘**Obligation to Furnish Statement of Financial Transaction or Reportable Account**’ to widen the scope of this section.

1. What is Statement of Financial Transaction(SFT)?

SFT is a report of *specified financial transactions** submitted by *specified persons***.

As per section 285BA(1) of Income Tax Act, 1961

- Such specified persons who is responsible for registering, or, maintaining books of account or other documents
 - Containing a record of any specified financial transaction as may be prescribed, under any law for the time being in force,
- shall furnish a statement in respect of such specified financial transaction for the purposes of Income Tax Act, 1961 to the income-tax authority or such other authority or agency as may be prescribed.

(*) Specified transactions:

Financial transaction specifically required to be reported u/s Sec 285BA read with Rule 114E of the Income Tax Rules, 1962 are as follows:

- Transaction of purchase, sale/ exchange of goods or property or right or interest in a property; or
- Transaction for rendering any service; or
- Transaction under a works contract; or
- Transaction by way of an investment made or an expenditure incurred; or
- Transaction for taking or accepting any loan or deposit

() Specified persons:**

(Required to report u/s 285BA read with Rule 114E of the Income Tax Rules, 1962):

- a. an assessee; or
- b. The prescribed person in the case of an office of Government; or
- c. A local authority or other public body or association; or
- d. The Registrar or Sub-Registrar appointed under Registration Act, 1908; or
- e. The registering authority empowered to register motor vehicles under Motor Vehicles Act, 1988; or
- f. The Post Master General as referred to the Indian Post Office Act, 1898; or
- g. The Collector referred to the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013; or
- h. The recognized stock exchange registered under SEBI Act, 1956; or
- i. An officer of the Reserve Bank of India, constituted under RBI Act, 1934; or
- j. A depository referred to Depositories Act, 1996; or
- k. A prescribed reporting financial institution.

2. Nature and value of specified transaction required to be reported and specified persons who are required to report are as below:

Section 285BA authorizes Central Board of Direct Taxes (CBDT) to prescribe different values with respect to different specified financial transactions in respect of different specified persons having regard to nature of such transactions which has to be reported. The same prescribed by CBDT via Rule 114E is as given below:

SNo	Nature of transaction to be reported	Monetary threshold of transaction	Specified person required to submit SFT
1	Cash payment purchase of bank drafts or pay orders or banker's cheque.	Aggregating to Rs 10,00,000 or more in a Financial Year.	A banking company or a co-operative bank to which the Banking Regulation Act, 1949
	Cash payments for purchase of pre-paid instruments issued by Reserve Bank of India.	Aggregating to Rs 10,00,000 or more during the Financial Year.	
	Cash deposits in one or more current account of a person.	Aggregating to Rs 50,00,000 or more in a Financial Year.	
	Cash withdrawals from one or more current account of a person.	Aggregating to Rs 50,00,000/- lakh or more in a Financial Year.	
2	Cash deposits in one or more accounts other than a current account and time deposit of a person.	Aggregating to Rs 10,00,000/- or more in a Financial Year.	<ol style="list-style-type: none"> 1. A banking company or a co-operative bank to which the Banking Regulation Act, 1949 2. Post Master General as referred to the Indian Post Office Act, 1898.
3	One or more-time deposits (other than renewed time deposit of another time deposit) of a person	Aggregating to Rs 10,00,000 or more in a Financial Year.	<ol style="list-style-type: none"> 1. A banking company or a co-operative bank to which the Banking Regulation Act, 1949 2. Post Master General as referred to the Indian Post Office Act, 1898 3. Nidhi referred to in section 406 of the Companies Act, 2013 4. Non-banking financial company which holds a certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934, to hold or accept deposit from public.
4	Credit card payments made by any person either in cash or by any other mode in a Financial Year.	Aggregating to Rs 1 lakh or more in cash or Rs 10,00,000 or more by any other mode in a Financial Year.	A banking company or a co-operative bank to which the Banking Regulation Act, 1949 applies or any other company or institution issuing credit card.

5	Receipt from any person for acquiring bonds or debentures issued by the company or institution (other than renewal)	Aggregating to Rs 10,00,000 or more in a Financial Year.	A company or institution issuing bonds or debentures.
6	Receipt from any person for acquiring shares (including share application money) issued by the company.	Aggregating to Rs 10,00,000 or more in a Financial Year.	A company issuing shares.
7	Buyback of shares from any person (other than the shares bought in the open market)	Aggregating to Rs 10,00,000 or more in a Financial Year.	A company listed on a recognized stock exchange purchasing its own securities under section 68 of the Companies Act, 2013 (18 of 2013).
8	Receipt from any person for acquiring units of one or more schemes of a Mutual Fund (other than transfer from one scheme to another)	Aggregating to Rs 10,00,000 or more in a Financial Year.	A trustee of a Mutual Fund or any such other person authorized to manage the affairs of the Mutual Fund
9	Receipt from any person for sale of foreign currency including any credit of such currency to foreign exchange card or expense in such currency through a debit or credit card or through issue of traveler's cheque or draft or any other instrument	Aggregating to Rs 10,00,000 or more during a Financial Year.	Authorized person as referred to the Foreign Exchange Management Act, 1999.
10	Purchase or sale of immovable property	Transaction value or valuation of stamp duty authority referred in <u>Section 50C</u> for an amount of Rs 30,00,000 or more.	Inspector-General appointed under the Registration Act, 1908 or Registrar or Sub-Registrar appointed under that Act.

11	Cash receipt for sale, by any person, of goods or services of any nature (other than those specified at Sl. Nos. 1 to 10)	Exceeding Rs 2,00,000	Any person who is liable for audit under section 44AB of the Act
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**The Statement of Financial Transaction in respect of the transactions listed at SNo(12) & SNo(13) in the above Table shall be furnished on or before the 31st day of January 2017.*

3. Aggregation under Rule 114E of Income Tax Rules:

The reporting person mentioned in column (4) of the Table (other than the persons at Sl.No.10 and Sl.No.11) shall, while aggregating the amounts for determining the threshold amount for reporting in respect of any person as specified in column (3) of the said Table, the following shall be noted:

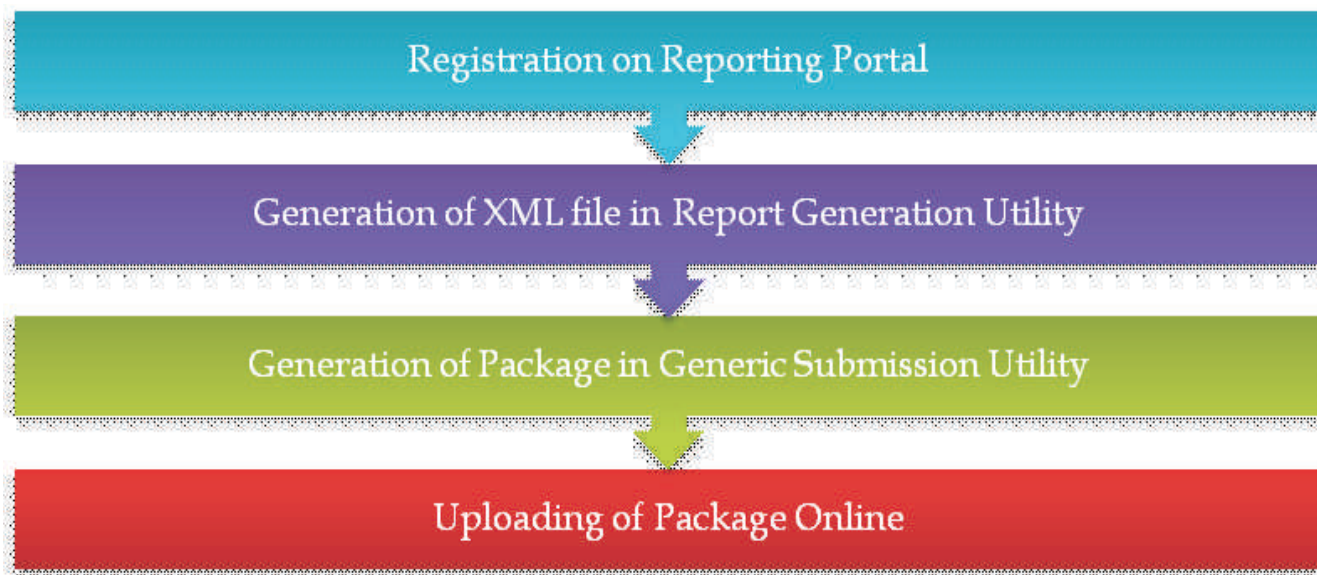
Sno	Aggregation	RuleExample
1	All the accounts of the same nature as specified in column (2) of the above Table maintained in respect of that person during the Financial Year shall be taken into account.	If Mr. A has two Savings accounts and deposited cash of Rs 6 lakhs in each account, in order to check monetary threshold limit of Rs. 10 lakh, amount in both savings account need to be aggregated.
2	Attribute the entire value of the transaction or the aggregated value of all the transactions to all the persons, in a case where the account is maintained, or transaction is recorded in the name of more than one person.	In case Mr. A, Mrs. A and Mrs. B holds a joint current account. Mrs. A & Mrs. B had deposited cash of Rs 30 lakhs & Rs 25 lakhs in joint current account. Now, for checking the monetary threshold limit, aggregation of Rs 50 lakhs is attributed to all the three members.
3	Apply the threshold limits separately to deposits and withdrawals in respect of transaction specified in item (c) under column (2), against Sl. No. 1 of the said Table.	If Mr. Ram has deposited Rs. 60,00,000 in ICICI current account and Withdrawn 40,00,000. Now we need to apply monetary threshold limit separately for each type of transaction. In the above case we need apply monetary limit of Rs. 50,00,000 for each transaction separately.
4	All the transactions of the same nature as specified in column (2) of the above Table recorded in respect of that person during the Financial Year shall be aggregated.	If Mr. B has purchased shares for a value of Rs 5 lakhs in September in a Financial Year and Rs 6 lakhs in November of the same Financial Year, value of both shares needs to be aggregated to check monetary threshold of Rs 10 lakhs

4. Key Information for filing Statement of Financial Transactions (SFT):

Sno	Queries	Action Items
1	What form to be used for furnishing SFT	SFT shall be submitted in Form 61A by reporting persons (Other than Specified Financial Institutions).
2	Due date of furnishing SFT	<p>Form 61A shall be submitted on or before 31 May of the Financial Year, immediately following the Financial Year in which the transaction is recorded or registered.</p> <p>For eg: In case of financial transactions recorded or registered in Financial Year 2018-19, the due date for furnishing SFT is 31 May 2019*</p>
3	Rectification of defect in the SFT submitted	<p>If the SFT filed is defective by the concerned income-tax authority,</p> <ul style="list-style-type: none"> • Same shall be intimated to the reporting entity/person by such authority and an opportunity for rectifying the defect within a period of 30 days from the date of such intimation shall be given. • This due date for rectification of default can be extended further by income tax authority at his discretion on application made in this behalf. • However, if defect is not rectified within such period, statement shall be treated as invalid and consequences of non-furnishing of SFT shall apply.
4	Failure to furnish SFT	In case of non-furnishing of SFT within due date, the prescribed income-tax authority may serve notice upon such person requiring him to furnish SFT within a period not exceeding 30 days from the date of service of such notice and he shall furnish the statement within the time specified in the notice.
5	Inaccurate information in SFT	If any person who has furnished SFT, comes to know or discovers any inaccuracy in the information provided in the statement, he shall inform the inaccuracy in such statement and furnish the correct information to the income-tax authority or specified authority or agency within 10 days.

6	Penalties	<p>Overall, penalty</p> <ul style="list-style-type: none"> • Rs 500 per day from the expiry of original due date till due date mentioned in the notice. • Rs 1,000 per day beyond the due date specified in the notice.
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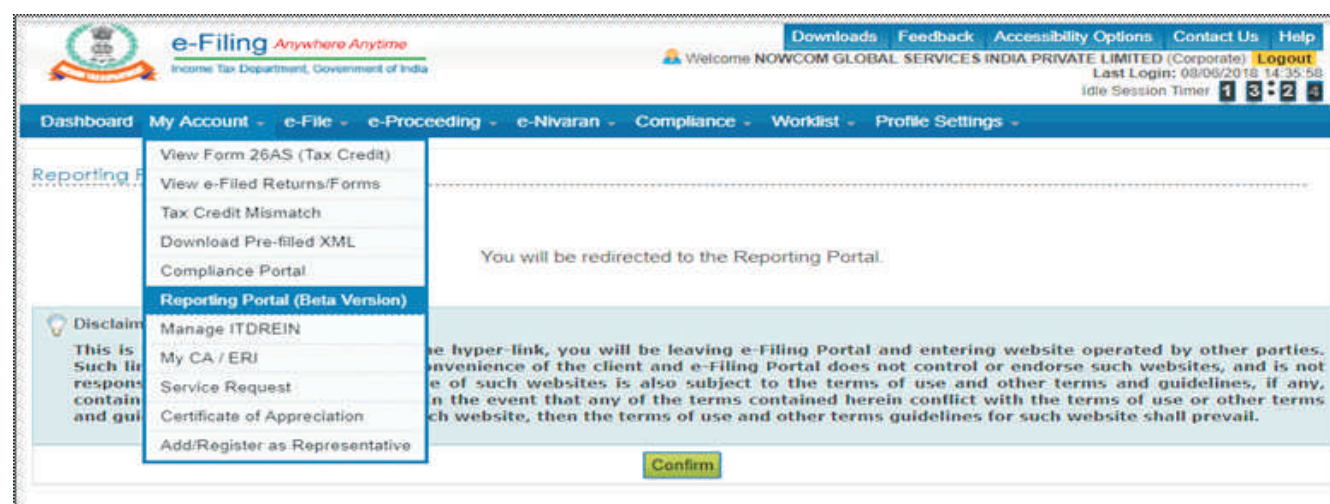
5. Procedure for Filing Form 61A:



SFT shall be submitted electronically, under digital signature certificate to the Director of Income-tax (Intelligence and Criminal Investigation) or the Joint Director of Income-tax (Intelligence and Criminal Investigation).

For Registration on Reporting Portal by the Person:

Step 1: Click on reporting portal link under “My Account” tab.



Step 2: The site will redirect to reporting portal. Select “New Registration” option, Form Type – Form 61A & Reporting entity Category as appropriate.

The screenshot shows a web interface for the reporting portal. At the top, it says "Please select from the following options". There are four radio button options: "New Registration" (selected), "SFT Preliminary Response", "Preliminary Response (Form 61B)", and "Manage Principal Officer". Below these is a blue "Continue" button. The next section is titled "Reporting Entity Type and Category". It has two dropdown menus: "Form Type*" (set to "FORM 61A") and "Reporting Entity Category*" (set to "Select Category"). A "Next" button is to the right of the second dropdown. A list of categories is shown below the dropdown: "Select Category", "Banking company", "Co-operative bank", "Depository", "Insurer", "Mutual Fund", "NBFC/Nidhi", "Reserve Bank of India", "Securities market intermediary", and "Others". A note at the bottom left says "Fields with * mark are mandatory".

For generating ITDREIN (Income Tax Department Reporting Entity Identification Number):

- Log-in to e-filing portal, then go to “My Account” tab -->Manage ITDREIN
- Click on ‘Generate New ITDREIN’
- Select form type and Reporting entity category and click on ‘Generate ITDREIN’
- Based on this selection, appropriate ITDREIN will be generated and confirmation email and SMS will be sent to registered email id and mobile number respectively
- ITDREIN generated will now appear under My Account-->Manage ITDREIN

By using ITDREIN the Reporting person should update the details of Authorized person of Reporting person.

The ITDREIN is a system generated 16-character identification number in the format **XXXXXXXXXX.YZNNN** where,

XXXXXXXXXX → PAN or TAN of the Reporting Entity

Y → Code of Form Code

Z → Code of Reporting Entity Category for the Form Code

NNN → Sequence number.

For generation of XML file:

Reporting generation utility was downloaded and all the details relating to Form 61A for the applicable transactions need to be filled. Generate XML file after proper validation.

For Generation of package file:

Generic submission utility was downloaded, and package has to be generated by certifying the above XML file with DSC (Digital Signature Certificate).

For uploading Form 61A:

- Go to e-file-->Upload Form '61A'
- Enter PAN, Form Name, Financial Year, Reporting entity category, upload type i.e., whether original/correction form /Nil statement and click on 'Validate'
- On successful validation of above details, upload the package along with digital signature certificate.
- Success message will be displayed on the screen on successful uploading and confirmation email and SMS will be sent to registered email id and mobile number respectively
- Uploaded file may be either 'accepted' or 'rejected'. In case of rejection, reason for rejection would be mentioned and correction form shall be submitted through above procedure.

Conclusion:

Every specified person should file Form 61A within the due date as prescribed in Act, to avoid future consequences, ultimately these report helps government to collect information about higher value transactions made by taxpayers and finally to check tax evasion and to curb black money flow.

This article is contributed by Murali Krishna.C, Intern of SBS and Company LLP. The author can be reached at interns@sbsandco.com

COMPANIES ACT, 2013**RULES, CIRCULARS, NOTIFICATIONS AND ORDERS ISSUED DURING THE MONTH OF MARCH, 2019****RULES****❖ The Companies (Incorporation) Second Amendment Rules, 2019, Dt: 06.03.2019.**

Vide the said rules, the Central Government has made amendments to the Companies (Incorporation) Rules, 2014 (principal rules), in principal rules in rule 30 the words “with the widest circulation” is substituted with “with wide circulation” with regard to publication of advertisement in from INC-26 in newspapers.

Further, in rule 38 the words “equal to rupees ten lakhs” is substituted with “equal to rupees fifteen lakhs” which provides that companies incorporated with effect from 18.03.2019, with a nominal capital of less or equal to Rs. 15 lakhs, fee for Form INC-32 (SPICe) shall not be applicable.

http://www.mca.gov.in/Ministry/pdf/CompaniesIncorporationIIAmendmentRules_07032019.pdf

❖ The Companies (Incorporation) Third Amendment Rules, 2019, Dt: 29.03.2019.

Vide the said rules, the Central Government has made amendments to the Companies (Incorporation) Rules, 2014 (principal rules), in principal rules after rule 38, a new rule 38A is inserted, vide which a new e-form i.e., e-form AGILE (INC-35) (Application for Registration of the Goods and Services Tax Identification Number (GSTIN), Employees State Insurance Corporation (ESIC) registration plus Employees provident fund organisation (EPFO) registration has been introduced.

Accordingly, while making application for incorporation of a company through e-form SPICE (INC-32) it shall be accompanied by e-form AGILE (INC-35) and depending upon the option selected by the Company, the Company would be enrolled for GST, ESIC, EPFO in one go. E-form AGILE, will be on a phased manner. For the effective dated please go through the following full notification.

http://www.mca.gov.in/Ministry/pdf/companiesINC3rdAmendmentRules_30032019.pdf

❖ The Companies (Indian Accounting Standards) Amendment Rules, 2019, Dt: 30.03.2019.

Vide the said rules, the Central Government has made amendments to various Indian Accounting Standards (Ind AS) which are prescribed in the Companies (Indian Accounting Standards) Rules, 2015. For complete list of changes please go through the following notification.

http://www.mca.gov.in/Ministry/pdf/RuleIndAsEng_30032019.pdf

❖ The Companies (Indian Accounting Standards) Second Amendment Rules, 2019, Dt: 30.03.2019.

Vide the said notification, the Central Government has made amendments to various Indian Accounting Standards (Ind AS) which are prescribed in the Companies (Indian Accounting Standards) Rules, 2015. For complete list of changes please go through the following notification.

http://www.mca.gov.in/Ministry/pdf/RuleIndAsSecondEng_30032019.pdf

NOTIFICATIONS

No Notifications were issued during the month.

CIRCULARS**❖ General Circular No.2, Dt: 08.03.2019 - Extension of tenure of High Level Committee on Corporate Social Responsibility-2018:**

Vide the Office Memorandum dated 22.11.2018, a High Level Committee on Corporate Social Responsibility was constituted to review the existing framework and formulate a coherent policy on Corporate Social Responsibility. With the approval of Honourable Union Minister for Corporate Affairs, the tenure of the Committee was extended by further 3 months with effect from 04.03.2019, so as to enable the Committee to submit its report.

http://www.mca.gov.in/Ministry/pdf/GenCircular_11032019.pdf

❖ General Circular No.3, Dt: 11.03.2019 - Clarification on filing of e-form RD-1- Conversion of Public Company to Private Company and Change in Financial Year:

The Ministry by the Companies (Incorporation) Fourth Amendment Rules, 2018 provided that applications u/s 2(41) (Change in financial year) and u/s 14 (conversion of public limited company into private company), along with e-form RD-1 shall be processed by Regional Director. In this regard since the revised form RD-1 is not yet deployed for the above two purposes, and Ministry has advised Regional Directors to process the e-form RD-1 for the above purposes if 'others' is selected, till the revised form is deployed by this ministry.

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo3_11032019.pdf

ORDERS

No Orders were issued during the month.

*These updates are contributed by CS D V K Phanindra of SBS and Company LLP, Chartered Accountants.
For any queries, please reach at phanindra@sbsandco.com*

SATURDAY SESSIONS

S.No.	Event	Date	Speaker	Venue
1	Concept of Agent under GST	13/04/2019	Bharadwaja	SBS - Hyd
2	Depository Receipts Overview		Arun	SBS - Hyd
3	Penalties u/s 270A of Income Tax Act,1961	20/04/2019	Indhu.K	SBS - Hyd
4	SA 500 - Audit Evidence		Raju	SBS - Hyd
5	Procedure for procurement & Import of goods under SEZ	27/04/2019	Sauchit	SBS - Hyd
6	Insights of Composite and Mixed Supply		Sukanya	SBS - Hyd
7	Deemed dividend u/s 2(22)(e)	04/05/2019	Murali	SBS - Hyd
8	Audit of trade receivables		Raghuram	SBS - Hyd

SESSION TIMINGS: 2:30 to 4:30 PM***Refund under GST - Divya Sree******Section 80CCD of Income Tax Act, 1961 - Harini***



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Hyderabad: 6-3-900/6-9, #103 & 104, Veeru Castle, Durganagar Colony, Panjagutta, Hyderabad, Telangana

Kurnool: No. 302, 3rd Floor, V V Complex, 40/838, R.S. Road, Near SBI Main Branch, Kurnool, Andhra Pradesh

Nellore: 16-6-259, 1st Floor, Near Santi Sweets Opp: SBI ATM, Vijayamahala Centre, SPSR Nellore, Andhra Pradesh

Sri City: Sri City Trade Centre, Ground Floor, Suite No 102, 2880, Central Expressway, Sri City Post, Tada, A.P - 517 646

Visakhapatnam: # 39-20-40/6, Flat No.7, Sai Yasoda Apartments, Madhavadhara, Visakhapatnam (Urban), Vizag, Andhra Pradesh

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