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By

SBS and Company LLP
Chartered Accountants

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UPDATES

INTERNATIONAL TAXATION

GAAR – CLARIFICATIONS - CIRCULAR NO 7 OF 2017

Contributed by CA Suresh Babu S

GAAR (General Anti-Avoidance Rules) is a broad set of provisions that have the effect of invalidating an arrangement that has been entered into by the taxpayer with the objective of obtaining a tax benefit. While GAAR may not cease legitimate tax planning in all cases, it does call for a fundamental change in approach and mind-set of the taxpayer, going forward. Business reasons and commercial rationale will be pivotal to any tax planning in a GAAR regime. GAAR contains provisions to stop misuse of treaties, that India has with other countries, for tax avoidance. These are rules targeted at businesses that are structured solely for avoiding tax in India, such as routing investment into the country through tax havens. Transactions that fail the GAAR test will be subject to tax

The conditions for applicability of GAAR, by their very nature, are subjective and are not capable of being defined precisely.

Applicability of General Anti-Avoidance Rules. (Sec 95-102, Chapter –XA of IT Act, 1961 ('Act'))

Notwithstanding anything contained in the Act, an arrangement entered into by an assessee may be declared to be an impermissible avoidance arrangement and the consequence in relation to tax arising therefrom may be determined subject to the provisions of this Chapter.

Explanation—for the removal of doubts, it is hereby declared that the provisions of this Chapter may be applied to any step in, or a part of, the arrangement as they are applicable to the whole arrangement .

An impermissible avoidance arrangement means an arrangement, the main purpose of which is to obtain a tax benefit, and it—

(a) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length;

(b) results, directly or indirectly, in the misuse, or abuse, of the provisions of this Act;

(c) lacks commercial substance or is deemed to lack commercial substance under section 97, in whole or in part; or

(d) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bonafide purposes.

An arrangement shall be presumed, unless it is proved to the contrary by the assessee, to have been entered into, or carried out, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

The GAAR provisions under the ITA are effective from tax year 2017-18.On 27 May 2016, the Central Board of Direct taxes (CBDT), the apex administrative body for direct taxes in India, had sought inputs

from stakeholders on the aspects of GAAR on which further clarity is desired, so that the Guidelines can be framed accordingly.

Pursuant to the same, CBDT has issued 16 clarifications in Q&A format , vide Circular No 7 of 2017, dated 27 January 2017. Amongst others, the important clarifications are as follows:

- GAAR and SAAR (Specific Anti Avoidance Rules) can co-exist and GAAR will also apply if the LOB (Limitations of Benefit clause) provisions do not adequately address anti-avoidance rules.

- GAAR to not interplay with the right of the taxpayer on to select or choose method of implementing a transaction.

- GAAR shall not be invoked merely because an entity is set up in a tax favourable jurisdiction if the main purpose was not to obtain tax benefit.

- The convertible instruments such as compulsorily convertible debentures, convertible preference shares, Global Depository Receipts to be regarded as investment made for the purpose of grandfathering benefit if the terms are finalised at the time of issue of convertible instruments. Further bonus issues, share split/consolidations etc to be regarded as investment made for the purpose of grandfathering provisions. Lease contracts, loan arrangements are not regarded as investments and hence outside the purview of grandfathering benefit.

- GAAR to not apply if the Courts have explicitly and adequately considered the tax implication while sanctioning an arrangement.

- The time period for which a arrangement is in place may not be a sufficient factor for non-application of GAAR, though regarded to be a relevant factor.

- Corresponding adjustment will not be permissible under GAAR as same could militate against deterrence.

- The tax benefit computation of INR 30 M is in respect of a specific tax year and among all parties involved and not in relation to a single taxpayer.

- GAAR to be invoked only in deserving cases and adequate safeguards in terms of two step procedure for invoking GAAR is already put in place:

  1. The Commissioner will have to satisfy himself about invoking GAAR; and

  2. The same will have to be approved via the approving panel headed by the High Court judge.

The press release of CBDT also provides that the Government is committed to provide certainty and clarity in tax rules and further clarifications, if any, on doubts of stakeholders regarding GAAR implementation, will also be provided.

This article is contributed by CA Suresh Babu S, Partner of SBS and Company LLP, Chartered Accountants. The author can be reached at suresh@sbsandco.com

AUDIT

BACK TO BASICS - INTERNAL AUDIT RECOMMENDATIONS

Contributed by CA Sandeep Das

At the conclusion of an audit, findings and proposed recommendations are discussed with management and subsequently management action plans are developed to explain how the agreed recommendations will be implemented.

Auditors should take care to communicate with the various stakeholders how their recommendations will help fix gaps and mitigate risks. The stakeholders will evaluate whether the recommendations being provided are worth the investment of time and resources required to implement them (cost vs. benefit). Competing priorities, budget limitations and other factors may prevent managers from implementing agreed actions in the agreed time line or as previously designed to mitigate the risk.

Types of Recommendation

Broadly, a recommendation is either a suggestion to fix an unacceptable scenario or a suggestion for improvement. Most internal audit reports provide recommendations to fix unacceptable scenarios because they are easy to identify and are less likely to be disputed by the process owner. However, recommendations to fix gaps in a process only take the process to where it is expected to be and not where it could be. Internal audit's value lies not only in providing solutions to existing issues but in instigating thought provoking discussions. Recommendations also can include suggestions that will move the process or the department being audited to the next level of efficiency. When recommendations aimed at future improvements are included, internal audit reports become a tool in shaping the strategic direction of the department being audited.

Sources of Information

An auditor should draw recommendations from both inside and outside the organization. Internal sources of recommendations are easier to locate; however, they require a tactful approach as process owners may not be inclined to share unbiased opinions with internal audit team. External sources may not be as easily accessible — an internal audit function should invest in providing its staff with access to research libraries and professional networks to facilitate access. It is a good practice to jot down recommendation ideas as soon as they come to mind, even though they may not find a place in the final report. Even if internal audit testing does not result in a finding, the auditor may still recommend improvements to the current process.

Articulation of recommendation

Internal audit team should spend sufficient time brainstorming potential recommendations and choosing their wording carefully to ensure their audience have complete understanding. Recommendations should be written simply and should:

- Address the root cause if a control deficiency is the basis of the recommendation.
- Address the department rather than a specific person.

- Include bullets or numbering if describing a process that has several steps.
- Position the most important observation or risk first and the rest in descending order of risk.
- Indicate a suggested priority of implementation based on the risk and the ease of implementation.
- Indicate any repeat findings. If the recommendation needs to be modified, provide an updated recommendation in the report.
- Explain how the recommendation will mitigate the risk in question.
- List any recommendations separately that do not link directly to an audit finding but seek to improve processes, policies or systems.

Feedback from Management

Recommendations will go nowhere if they are not valued by management. Therefore, the process of obtaining management feedback on recommendations is critical to make them practical. Ultimately, process owners may agree with the recommendation, agree with part of the recommendation, and agree in principle, but technological or personnel resource constraints won't allow them to implement it. They also may choose to revisit the recommendation at a future date as the risk is not imminent, or disagree with the recommendation because of varying perceptions of risk or mitigating controls.

Management responses should be added to the recommendations with identified action items and implementation time lines whenever possible. Whatever be the management's response, a recommendation should not be changed if it dilutes internal audit's objectivity and independence and becomes representative of management's opinions and concerns. It is internal audit's prerogative to provide recommendations, regardless of whether management agrees with them or not. Persuasive and open-minded discussions with process owners are important to achieving agreeable and implementable recommendations.

Conclusion

The journey of a potential suggestion to a recommendation is complex and is influenced by every stakeholder and constraint in the audit process ; be it the overall tone of the organization toward change, its philosophy toward internal audit, the scope of the internal audit, views of the process owner, experience and exposure of internal audit staff, or available technology. However, an internal auditor must realize that every thought may add value to the organization and deserves consideration within the internal audit team. Internal audit departments should deliberate about the process and ask at the end of every audit: Does it align with the organization's strategy and direction? Is it up to par with what is seen elsewhere? What is its relevance today and in the future?

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INCOME TAX

SEC 206AA - TWIST AND TURNS

Contributed by CA Ramprasad

History:-

Finance Act (no.2) 2009 has introduced the provisions of section 206AA. It provides that the deductee should furnish his PAN to the person responsible for deducting the tax else the minimum rate of TDS applicable would be 20%.

The requirement to obtain PAN is governed by the provisions of section 139A. The section 206AA starts with a non-obstante clause *"Notwithstanding anything contained in any other provisions of this Act".* This section will also be applicable in case the deductee provides an invalid PAN or PAN not belonging to him.

So, reading together the provisions of section 139A and 206AA, one may conclude that though it is not mandatory for a person to obtain PAN still the provisions of higher rate of TDS referred U/S 206AA would apply on non-furnishment of PAN.

This section will also apply in case the deductee is non-resident [1]. However, if any beneficial provisions exist in DTAA then they will have overriding effect over the provisions of Income Tax Act, 1961 [2].

One issue which will arise is whether to claim the concessional rate mentioned in DTAA, should the non-resident have PAN so as not to be governed by provisions of section 206AA?

To answer this, first look at the Judicial pronouncements which answered this question. The Bangalore ITAT [3] has held that the provisions of section 206AA will apply as it has overriding effect over other provisions of the Act. Thus, a non-resident whose income is chargeable to tax in India should obtain the PAN. However, the Pune ITAT [4] and the Bangalore Tribunal [5] have held that once the provisions of DTAA are applicable, section 206AA doesn't apply.

Even the honorable Supreme Court [6] has held that the provisions of DTAA with respect to the case to *which they apply would operate even if inconsistent of the provisions of the Income Tax Act.* So even the provisions of section 206AA has overriding effect over other provisions of the Act still they were inapplicable in applying the DTAA.

Besides the section 90(2) provides that for granting relief of tax or as the case maybe, avoidance of double taxation, then, in relation to the assessee to whom DTAA applies, the provisions of the Act shall apply to the extent they are more beneficial to the assessee.

[1] CBDT had clarified vide Press Release [No. 402/92/2006-MC (04 of 2010), dated 20-1-2010]
[2] Section 90(2)/ CBDT circular 333 dt.2-4-1982.
[3] Bosch Ltd. v. ITO [2013] 141 ITD 38
[4] Dy. DIT v. Serum Institute of India Ltd. [2015] 68 SOT 254
[5] Dy. CIT v. Infosys BPO Ltd. [2015] 154 ITD 816
[6] UOI v. Azadi Bachao Andolan [2003] 263 ITR 706

Relief granted: -

The FA 2013 has excluded the interest referred to in section 194LC[7] from the operation of provisions of section 206AA[8] with effect from 01-06-2013.

FA 2016 has further amended the provisions of section 206AA (7) by extending the non-applicability of this section in relation to any payment subject to the conditions as may be prescribed [9].

Rule 37BC provides the relaxation from the provisions of section 206AA. It mentioned that in case of non-resident, not being a company, or a foreign company and not having Permanent Establishment (PE) in India, the provisions of section 206AA shall not apply in respect of payments of *interest, royalty, fees for technical services and payment on transfer of any capital asset, if the deductee furnishes the specified documents.*

Latest Developments: -

The Visakhapatnam ITAT[10] held that TDS on salary payment u/s 192 should be deducted as per applicable rates in force after allowing basic exemption limit and deductions towards investment in savings etc. Unlike any other provisions of the TDS, tax on salary can't be deducted by applying a flat rate on gross amount. *A careful study of the provisions of section 206AA made it clear that it is not automatic that a flat rate of 20 per cent shall be applied wherever PAN is not furnished. The deductor shall compute the tax in the manner specified under section 206AA, by applying the rate specified under the relevant provision of the act, or at the rate or rates in force and then, compared to flat rate of 20 per cent to decide whichever is higher.*

It further held that *it is settled position of law that a short deduction of tax at source, by itself does not result in a legally sustainable demand under sections 201(1) and 201(1A). The taxes cannot be recovered once again from the assessee in a situation where the recipient of income has already paid the due taxes on such income.*

Unless, the Assessing Officer verified himself that the recipient of income has not paid the tax on such income and demonstrate that the rate applied by him was in accordance with the provisions of section 206AA, the assessee cannot be held as assessee in default under sections 201(1) and 201(1A)

Note: - *The CBDT circular 1/2017 dated 02-01-2017 which contains the rate of deduction of income tax from the payment of income chargeable under the head "Salaries" during the FY 2016-17 has mandated the furnishing of PAN by the employee in case of receipt of any sum or income or amount, on which tax is deductible. If the employee fails to furnish PAN to the deductor the provisions of section 206AA shall apply. It further states that* ***the deductor should determine the tax amount in all the three conditions[11] and apply the higher rate of TDS.*** *However, where the income of the employee computed for TDS u/s 192 is below taxable limit, no tax will be deducted. But where the income of the employee computed for TDS u/s 192 is above taxable limit, the deductor will calculate the average rate of income-tax based on rates in*

[7] It provides interest payable by an Indian Company on money borrowed in foreign currency from outside India by way of issue of long term infrastructure bonds. FA 2014 excluded the word "Infrastructure" w e f 01-10-2014

[8] Section 206AA(7)

[9] Rule 37BC

[10] Rashtriya Ispat Nigam Ltd v. Add. CIT (TDS) 157 ITD 366

[11] (i) at the rate specified in the relevant provision of this Act; or
(ii) at the rate or rates in force; or
(iii) at the rate of twenty per cent.

force as provided in sec 192.

If the tax so calculated is below 20%, deduction of tax will be made at the rate of 20% and in case the average rate exceeds 20%, tax is to be deducted at the average rate. Education cess @ 2% and Secondary and Higher Education Cess @ 1% is not to be deducted, in case the tax is deducted at 20% u/s 206AA of the Act.

This circular has answered the concerns raised by the Visakhapatnam ITAT (supra) to the extent of inability of the deductor in comparing the average rate of tax and rate mentioned in sec 206AA.

The JAIPUR ITAT[12] held that *on perusal of the provisions of section 206AA, primary onus is on the person entitled to receive income on which tax is deductible at source to furnish his PAN and in case such PAN is invalid or does not belong to the said person by deeming fiction, it has been stated that he has not furnished his PAN to the deductor. In such a scenario, the onus shifts on the person responsible for deducting the tax that he shall deduct the tax at the rate specified in the relevant provisions of the Act or at the rate of 20 per cent whichever is higher.*

The Bangalore ITAT[13] held that *the obligation of deducting tax at source arises only when there is a sum chargeable under the Act. Thus, the provisions of TDS should be read along with the machinery provisions of computing the tax liability on the sum in question and there is no scope for deduction of tax at the rate of 20 per cent as provided under the provisions of section 206AA when the benefit of DTAA is available.*

CBDT vide notification no. 2/2017 dated 06-01-2017 has mandated that the person who has an account (other than time deposit and basic savings bank deposit account) maintained with banking company or co-operative bank to which Banking Regulation Act, 1949 applies and has not quoted his PAN or furnished Form no. 60 at the time of opening or subsequently, he shall furnish PAN or Form no. 60 to *a manager or officer of a banking company or co-operative bank, as the case may be on or before 28-02-2017.*

One question which remains is that who will get the credit of TDS in case tax has been deducted applying the provisions of section 206AA? (Food for thought).

[12]Office of XEN, PHED v ITO 161 ITD 373
[13]Dy. CIT (Int.Taxation) v. Infosys BPO Ltd 154 ITD 816

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INDIRECT TAX

GST TRANSITIONAL PROVISIONS

Contributed by CA Sri Harsha & CA Manindar

INTRODUCTION:

The GST Council in its last concluded meeting broke the deadlock on progress of GST implementation i.e. administrative control of the Centre and States. It is broadly agreed that revised target date for implementation of GST in India as 01st July, 2017. In the meantime, finalization of GST draft legislations are on the cards. The transitional provisions under Draft GST law takes significant importance now as they are going to decide the fate of input tax credits and tax treatment of certain transactions that are going to take place during this transition period viz. stock returns, stock in transit, job work. After the introduction of Draft GST Law in June, 2016; many recommendations were made on various aspects including transitional provisions. Most of the recommendations relating to transitional provisions are duly considered and incorporated under the Revised GST law; However, in the process of incorporating such recommendations, certain new issues have emerged. This article aims to highlight few of such issues.

ACCUMULATED CENVAT CREDIT— CARRY FORWARD VIS-À-VIS ELIGIBILITY UNDER GST:

Section 167 of the Revised GST Law provides— *"A registered taxable person, other than a person opting to pay tax under section 9, shall be entitled to take, in his electronic credit ledger, the amount of CENVAT credit carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished, by him under the earlier law in such manner as may be prescribed".*

This section is basically intended to carry forward the accumulated closing CENVAT Credit as opening GST credit for all existing tax payers whose goods/services continue to be taxable under GST regime. The proviso to this section provides that the registered taxable person shall not be allowed to carry forward the credit *unless the said amount is admissible as input tax credit under this Act.*

The key issue involved is how to interpret the expression *'unless the said amount is admissible as input tax credit under this Act'*. For example, let us take a case where the accumulated CENVAT Credit as on the day before GST is Rs 1,50,000/-, out of three input services X, Y, Z in equal proposition i.e. Rs. 50,000 each. Service tax paid by way of adjusting input tax credit for the said period is Rs. 75,000/-. Balance of the accumulated CENVAT Credit i.e. Rs. 75000/-, will be shown as opening balance of ITC under the GST regime. Let us assume that input service Y is ineligible for input credit under GST regime. In such circumstance, what is exact amount of CENVAT Credit that can be carried forward as opening balance under GST regime? Whether it should be Rs.25,000/- or Rs.75,000/- (assuming the ineligible part is setoff with service tax liability).

An appropriate clarificatory amendment should be extended in this regard as to how to interpret the expression 'unless the said amount is admissible as input tax credit under this Act'. Otherwise, this may lead to litigation.

CREDIT AVAILMENT OF INPUTS HELD IN STOCK— DISCRIMINATORY TREATMENT:

Section 169 of the Revised Model GST Law provides that specified registered taxable persons, subject to satisfaction of certain specified conditions shall be entitled to input tax credit of eligible duties and taxes in respect of inputs held in stock, WIP and finished goods. The following are specified persons entitled to this benefit.

a. A registered taxable person who was not liable to be registered under earlier law;
b. A registered taxable person who was engaged in manufacture of exempted goods or provision of exempted services;
c. A registered taxable person who was providing works contract service and was availing the benefit of Notification no. 26/2012-ST dated 20.06.2012;
d. A first stage dealer or second stage dealer or registered importer.

Under the current regime, as VAT is being paid on supply of goods involved in works contract, no input credit is allowed on material used in execution of works contract. Further, most of the dealers executing works contract are paying VAT under composition scheme where they are not allowed to take any VAT input credit.

In terms of section 3 read with schedule II of the Revised Model GST Law, works contracts are going to be treated as supply of services under GST regime. Thus, the entire consideration irrespective of the extent of goods or services involved shall be subject to rate of tax as applicable to supply of services under GST regime. Effectively, the service element and material element involved in execution of works contract would be subject to both CGST and SGST respectively. In view of this paradigm shift in taxation of works contract, it is prerogative to allow input tax credits on inputs lying in stock before the appointed day for GST rollout which are going to be used in providing works contract services under the GST regime.

However, under CGST law, this privilege is merely extended to works contract service providers paying service tax by way of abatement under Notification no. 26/2012-ST i.e. builders selling the flats by including land value in the total amount charged for works contract. What about the case of other works contractors viz. works contractors other than builders paying service tax on 40%/70% of gross amount charged or by arriving at actual services value (regular scheme) under Rule 2A of the Service Tax (Determination of Value) Rules, 2006. In view of their omission, they are barred to take input credit of inputs lying in stock as on the appointed day but are subsequently used in works contract under GST regime. Further, the restriction of benefit only to builders selling flats under Notification no. 26/2012-ST seems to be arbitrary without any justifiable reasons. Thus, in the humble opinion of the paper writers, similar benefit should also be extended to all other works contracts by making suitable amendments in Section 169.

Similar is the case of service providers engaged in providing restaurant and outdoor catering services. They are required to pay VAT on value related to supply of food and service tax on the services portion. For this purpose, they are extended the benefit of paying service tax on presumptive basis i.e. on 40% and 60% of gross amount charged in case of restaurant services and outdoor caterer services respectively with a condition not to avail CENVAT credit on inputs falling under chapter 1 to 22 of Central Excise Tariff Act, 1985.Similarly, there are composite rates under VAT laws to pay tax on the component of food supply

alone in case of outdoor caterers. In terms of section 3 read with schedule II of the Revised Model GST Law, supply of food, drink or any other article for human consumption by way of or as part of service shall be treated as supply of service only. Thus, entire component of these services would be subject to both CGST and SGST. In such changed taxability position; these service providers also deserve the same privilege by way of input credit of food items falling under chapter 1-22 that are lying in stock immediately before the appointed day for rollout of GST.

Thus, in the humble opinion of the paper writers, an appropriate amendment in this regard are required to made in order to ensure smooth transition to GST without any litigation;

CARRY FORWARD OF CENVAT CREDIT RELATING TO CESSES:

Section 169, Section 170, Section 171 and Section 172 provides for availment of input tax credit of 'eligible duties and taxes' in certain specified cases which are mentioned below;

Section	Description
169	Credit of eligible duties and taxes in respect of inputs held in stock to be allowed in certain situations
170	Credit of eligible duties and taxes in respect of inputs held in stock to be allowed in certain situations
171	Credit of eligible duties and taxes in respect of inputs or input services during transit
172	Credit of eligible duties and taxes on inputs held in stock to be allowed to a taxable person switching over from composition scheme

For the purposes of these sections, the expression 'eligible duties and taxes' is defined under explanation to 169 which is reproduced as under;

"For the purpose of this section and section 170, section 171 and section 172, the expression "eligible duties and taxes" means-

(i) the duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985
(ii) the duty of excise specified in the Second Schedule to the Central Excise Tariff Act, 1985(5 of 1986);
...
...
...
(viii) the service tax leviable under section 66B of the Finance Act, 1994

in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day."

The list of items does not include cesses viz. education cess, secondary higher education cess, krishi kalyan cess that are allowed to be taken as CENVAT Credit under current regime. On the other hand, in terms of section 167, tax payers under the current regime are allowed to take entire accumulated and unutilized input tax credit on the appointed day as opening input tax credit under GST regime.

In the humble opinion of the paper writers, section 167 does restrict the carryforward of CENVAT Credit relating to cesses for existing tax payers who continues to be taxable under GST regime for supply of goods/services. However, in view of specific clarificatory explanation under section 169 about the expression 'eligible duties and taxes'; the registered tax payers availing input tax credit under sections 169 to 172 are barred from availing any input tax credit relating to cesses. This distinction between the category of tax payers availing the benefit of section 167 and those availing benefits of any of the sections 169-172 seems to be arbitrary and this apparent conflict needs to be resolved.

PROCUREMENTS IN TRANSIT AS ON THE APPOINTED DAY FOR GST ROLLOUT— ELIGIBILITY RESTRICTED TO INPUTS AND INPUT SERVICES:

Section 171 of the Revised Model GST Law provides that a registered taxable person shall be entitled to take in his electronic credit ledger, credit of eligible duties and taxes in respect of inputs or input services received on or after the appointed day but the duty or tax in respect of which has been paid before the appointed day, subject to the condition that the invoice or any other duty/tax paying document of the same was recorded in the books of accounts of such person within a period of thirty days from the appointed day. The time period can further be extended by another 30 days if sufficient cause is shown.

This section extends the benefit of availment of input credit only for inputs and input services but what about the case of capital goods where taxes are paid under the current regime while they are received after the appointed day for GST rollout. In the humble opinion of paper writers, this benefit of availment of credit should also be extended to capital goods in transit.

CONCLUSION:

Based on the above analysis, the paper writers are of the view that the transitional provisions require re-consideration in order to be more rational and indifferent to various industries and tax payers. Suitable representations in this regard are required to be made by trade and professional bodies. Further GST drafting committee has to give appropriate consideration to all such recommendations and ensure their incorporation in the draft legislations in their true spirit.

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COMPANIES ACT , 2013

RULES, CIRCULARS AND NOTIFICATIONS ISSUED DURING THE MONTH OF JANUARY, 2017

RULES

- **The Companies Incorporation (Amendment) Rules, 2017; Dt: 25.01.2017**
  Vide the said rules, the Ministry has come up with amendment to the Form INC-32(SPICe form) for incorporation, as to make mandatory the applying of PAN and TAN along with the incorporation form. Further the format of Certificate of Incorporation (Form No INC 11)was also amended, so as to include the PAN of the company.
  http://www.mca.gov.in/Ministry/pdf/IncorporatinRules_27012017.pdf

NOTIFICATIONS

- **Exemption from applicability of certain provisions of the Companies Act, 2013 to Specified IFSC private companies and Specified IFSC Unlisted Public Companies,Dt:04.01.2017**
  Vide Two Separate Notifications, the Ministry has exempted/modified the applicability /applicable with some adaptations, the various provisions of the Act, to a private company and a Unlisted Public Company, which is licensed to operate by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 (28 of 2005) read with the Special Economic Zones Rules, 2006 (hereinafter referred to as "Specified IFSC private company").

  Click for both the notifications, below:
  Exemption to Specified IFSC Private Companies-
  http://www.mca.gov.in/Ministry/pdf/IFSC_Private_04012017.pdf
  Exemption to Specified IFSC Public Companies -
  http://mca.gov.in/Ministry/pdf/IFSC_Public_04012017.pdf

TECHNICAL SESSIONS:

S.No.	Event	Date	Speaker	Venue
1	Budget proposals for 2017-18 – Direct taxes and Indirect taxes	10/02/2017	CA Suresh Babu & CA Manindar	SBS - Hyd
2	Insights into 'Insolvency and Bankruptcy Code, 2016'	17/02/2017	CA Rajesh	SBS - Hyd
3	Recent updates under the Companies Act, 2013	24/02/2017	CS DVK Phanindra	SBS - Hyd
4	Taxability of Joint Development Agreements under Service Tax	03/03/2017	CA Sri Harsha	SBS - Hyd

Note:

The timings for the above events shall be from 17:30 hrs to 19:30 hrs. We request the recipients of "SBS Wiki" who are interested to attend the above events to send confirmation of your participation two days in advance to make appropriate arrangements. The relevant material will be hosted at slideshare shortly after the session. The link to download is *http://www.slideshare.net/Team-SBS*

Insights into 'Right to Information Act' - CA Manindar K & Mr. Saadiq Hussain

Import and Export of Goods – FEMA Regulations – Part III - CA Murali Krishna G

'Interactive Session on 'IT savings' at Green Park Hotel - CA Bhyrav MHS

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, Vijayamahal Centre, SPSR Nellore, Andhra Pradesh
Tada: 8-3-425/2, Flat No. 202, 2nd Floor, Bigsun Avenue, Near SRICITY, TADA, SPSR Nellore Dist, Andhra Pradesh
Visakhapatnam: # 39-20-40/6, Flat No.7, Sai Yasoda Apartments, Madhavadhara,Visakhapatnam (Urban),Vizag, Andhra Pradesh
Bengaluru: B104,RIRCO, Santosh Apartments, Wind Tunnel Road, Murugeshpalya, Old Airport Road, Bengaluru, Karnataka.

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