



**SBS** | *Interns'*  
**Digest**  
An attempt to share knowledge

By

**Interns of  
SBS and Company LLP**

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## AUDIT

### INTERNAL AUDIT REPORT

Contributed by Chandrashekar & Vetted by CA Sandeep Das

#### Introduction:

Internal audit report includes audit findings, recommendations, and any responses or action plans from management. The contents of an internal audit report are influenced by various factors such as the nature of internal auditing, level of reporting, degree of management support and capabilities of internal audit staff.

**Features:** For preparing a good internal audit report, the following general rules may be observed.

- 1. Objectivity:** To maintain the reliability of internal audit function the comments and opinions expressed in the report should be as objective and unbiased as possible.
- 2. Clarity:** The language used should be simple and straight-forward. As far as possible use of technical terms and jargon should be avoided.
- 3. Accuracy:** The information contained in the report, whether quantified or otherwise, should be accurate. Where approximation or assumptions have been made the fact should be clearly stated along with reasons.
- 4. Conciseness:** Brevity should be omitted.
- 5. Constructiveness:** Destructive criticism should carefully be avoided in the report. The report should clearly demonstrate that the internal auditor is trying to assist the auditee for effective discharge of his responsibilities.
- 6. Readability:** The reader's interest should be captured and retained throughout.
- 7. Timeliness:** The report should be submitted promptly because if the time lag between the occurrence of an event and its reporting is considerable, the opportunity for taking action may be lost or a wrong decision may be taken in the absence of information.
- 8. Findings and conclusions:** These may be given in the order of importance. All the facts and data pertaining to the events should be collected, reviewed and analysed. Each conclusion and opinion should normally be in line with the findings.
- 9. Statistical Data:** Tables or graphs may be used for the presentation of statistical data in appendices.
- 10. Recommendations:** An internal audit report shall include recommendations for improvements. In order to make the management to accept and implement the recommendations, the internal auditor should be able to explain the management that the conclusions are logical and valid and the recommendations represent effective and feasible ways of taking action.

11. **Summary:** To provide the management with a quick view of the audit conclusions, a summary of conclusions and recommendations may be given at the beginning of the report.
12. **Supporting information:** The internal auditor should supplement his report by such documents and data which adequately and convincingly support the conclusions.
13. **Draft report:** Before preparing the final report, the internal auditor should draft all the audit conclusions in the form of a report which shall be sent to the management for their comments.
14. **Review:** Each draft of the report should be reviewed by a senior who should attempt to read it from the view point of view of the users of the report.
15. **Writing and issuing the final report:** The final report should be prepared and issue only when the auditor obtains the management comments. The report should be duly signed.

**Basic Elements of Internal Audit Report:** The internal audit report includes the following basic elements,

1. Title
2. Addressee
3. Period of coverage of the report
4. Opening or introductory paragraph
5. Objectives paragraph
6. Scope paragraph
7. Observations
8. Recommendations
9. Managements comments
10. Date of the report
11. Place of signature
12. Internal auditor's signature

**Follow up:** It is the most significant part of an internal audit. The internal auditor should review whether follow-up action is taken by the management on the basis of his report. If no action is taken within a reasonable time he should draw the management's attention to it. Where the management has not acted upon his suggestions or not implemented his recommendations, the internal auditor should ascertain the reasons there for.

Where the management has accepted his recommendations, and initiated the necessary action, the internal auditor should periodically review the manner and the extent of implementation of the recommendations and report to the management highlighting the recommendations which have not been implemented fully or partly.

*This article is contributed by chandrashekar , Intern of SBS and Company LLP. The author can be reached at [interns@sbsandco.com](mailto:interns@sbsandco.com)*

## DT&amp;MSME

**FUTURE OF TAX ASSESSMENT**

Contributed by Madhuri &amp; Vetted by CA Ram Prasad |

**INTRODUCTION:**

Our personal life is highly dependent on technology for various purposes such as purchase of goods, communication, travelling, knowledge learning etc.

As many persons are connected with technology, Government stepped aiming towards utilisation of technology in the Income tax department.

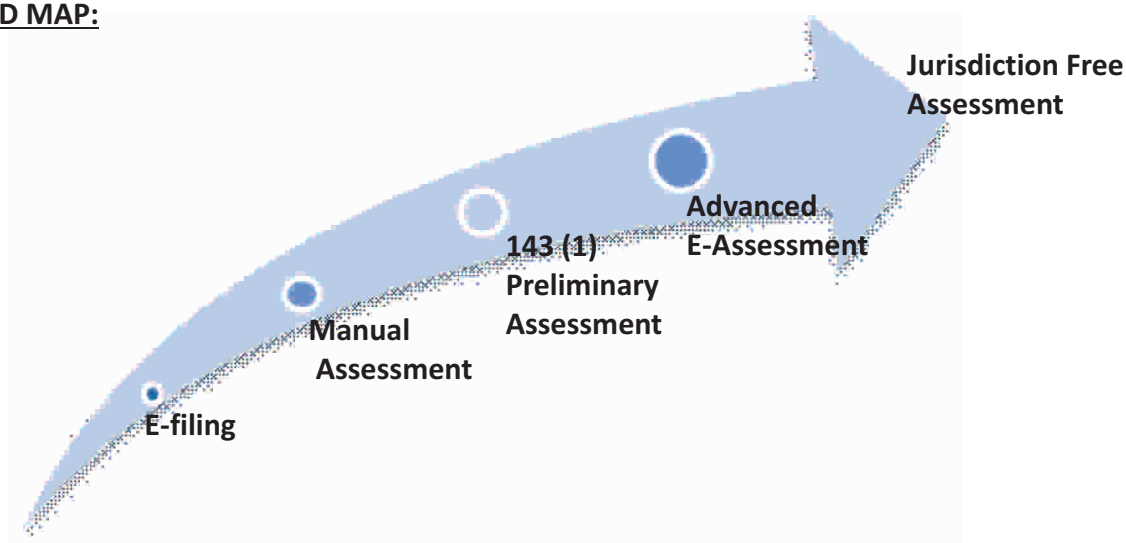
**MEANING OF ASSESSMENT:**

Every taxpayer must furnish details of Income to the Income tax department, by filing his return of Income. The return filed will be then processed by department. The process of examining the return of Income by department for confirming its correctness is called "Assessment".

**TYPES OF ASSESSMENT UNDER THE ACT:**

There are five major assessments as mentioned below:

- Summary assessment U/s 143(1)
- Scrutiny assessment U/s 143(3)
- Best judgement assessment U/s 144
- Income escaping assessment U/s 147
- Assessment in case of search or requisition U/s 153A

**ROAD MAP:**

**INTRODUCTION OF E-FILING INTO THE SYSTEM:**

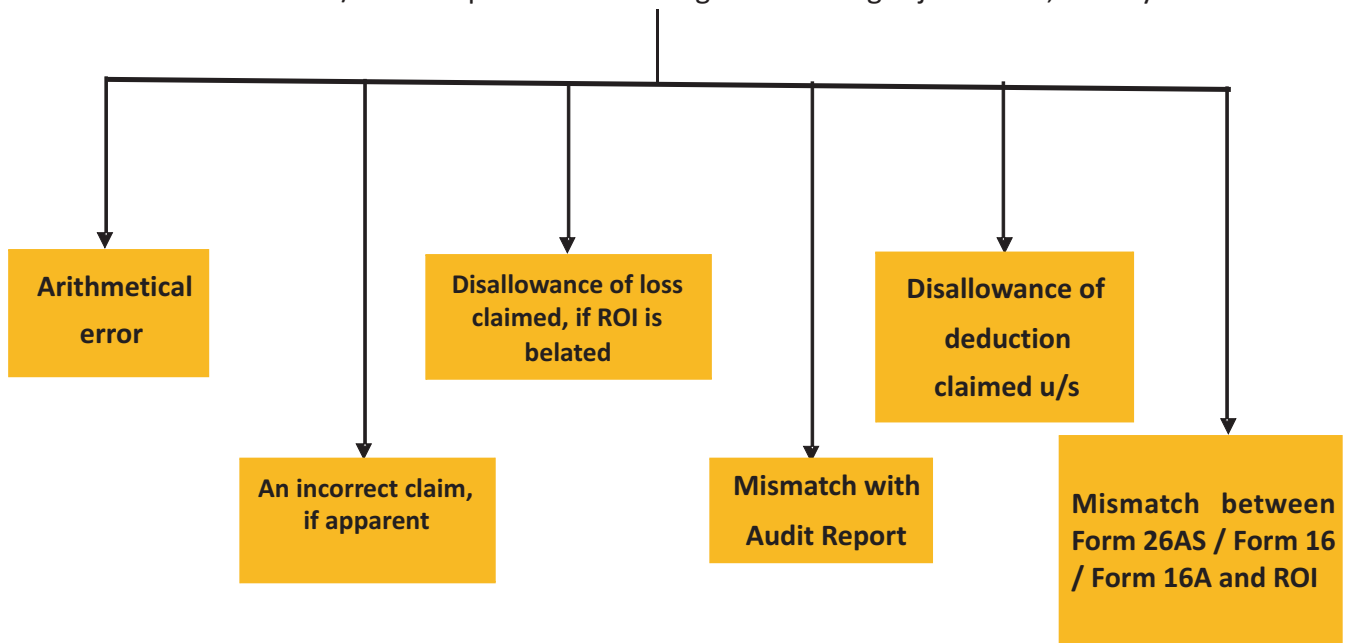
In India filing of Income tax in electronic way was introduced in September 2004. This was initially introduced on a voluntary usage basis for all categories of Income tax assessee.

But from July 2006, it was mandated for all corporate firms to e-file their Income tax returns, which now been mandated for all tax payers.

**PRELIMINARY ASSESSMENT U/S 143(1)**

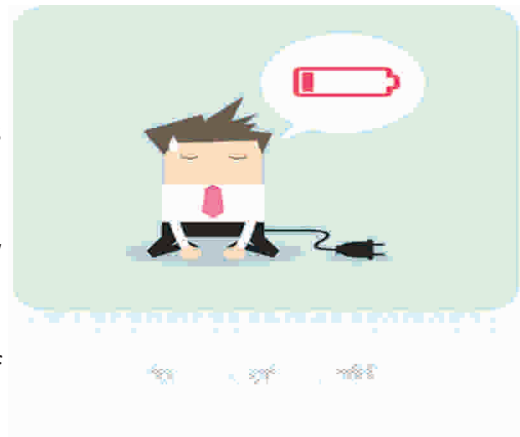
- ROI filed u/s 139, or in response to a notice u/s 142(1),
- ROI processed in the following manner:

a. Total Income / loss computed after making the following adjustments, namely: -

**CHALLENGES FACED UNDER MANUAL ASSESSMENT PROCEEDING SYSTEM:**

- o Income tax return filed by assessee will initially be processed by Centralized Processing Centre (CPC), located in Bangalore.
- o Adjustments made without human interface
- o Assessee is given intimations through e-mail.
- o Assessee can file online responses for adjustment in demand, short credit of tax etc.
- o Notice, summons, order etc - can also be made through e-mail as a valid transmittal mode.

- o But, when the case is selected for assessment, the return will be transferred to the jurisdictional officer for a detailed scrutiny.
- o During assessment proceedings, lot of paperwork is required to be done by the tax payer along with personal appearance which is time consuming.
- o It is hardship on the tax payer to visit the department now and then for finalisation of case.
- o On the other hand, Income tax officers also find difficult in timely processing of pending cases and can assess only 1% of total returns filed.



#### **ADVANTAGES:**

- o Detail explanation can be made on various aspects
- o Avoidance of Miscommunication
- o Direct interaction with Assessing officer
- o Stage of Assessment proceedings

#### **DISADVANTAGES:**

- o Time consuming process
- o Chances of Corruption
- o Cost of visits
- o Fear of facing Income tax officer

#### **INTRODUCTION TO E-ASSESSMENT:**

To overcome problems faced by the assessee and the department on manual assessment proceedings, CBDT launched a pilot project for online assessment **in October 2015**(vide CBDT letter no. F. No. 225/267/2015-ITA-II, dated October 19, 2015), called as '**E-Assessment**'

Under e-assessment proceedings, tax payer will be assessed through online communication mode (say e-portal, e-mail etc.,)

Initially, e-assessment was introduced for non-corporate assesseees of five major cities – **Delhi, Mumbai, Bengaluru, Chennai & Ahmedabad**. Later, it was extended to **Kolkata and Hyderabad**. The success of the project in financial year 2015-16 ushered the implementation of the E-assessment option nationwide in financial year 2016-17 onwards.

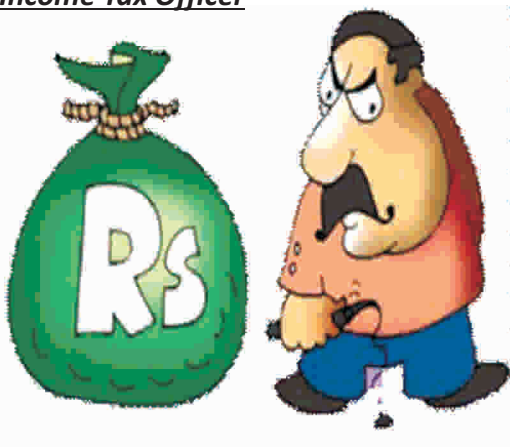
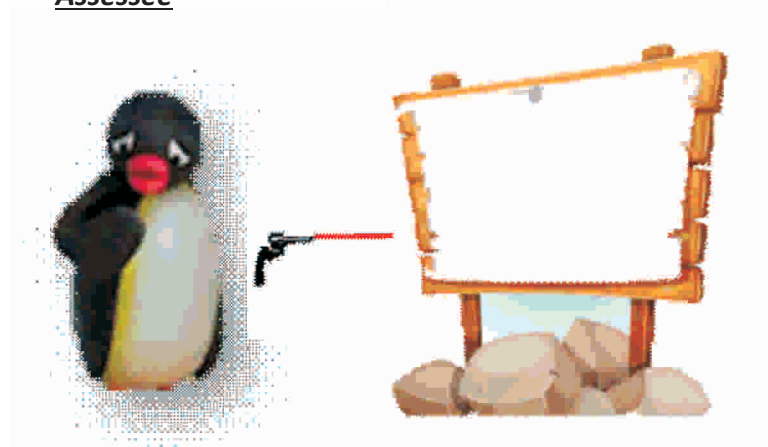
**FEATURES OF E-ASSESSMENTS:**

- o Tax Payer has an option either to opt for E-assessment or manual assessment. Once an option of e-assessment is exercised, it is possible to switch to manual assessment at any stage.
- o Also, in case any technical issues arose for issuing the notices or for filing the responses digitally, either the department or the tax Payer can switch to the personal proceedings.
- o All notices will be served at the registered email address of the Tax Payer;
- o Time Saving and Convenient process as the tax payer can respond through Income-tax portal at anytime from anywhere.
- o Responses of assessee and department will be copied to e-assessment@Incometax.gov.in for audit trail purposes and the record of all communication will be available under 'My Account' tab
- o Faster conclusion of the assessment proceedings over the manual proceedings
- o Tax Officer will pass the order and communicate it through the registered E-mail address of the assessee
- o Reduce visits by tax payers to I-T offices and their interface with the department.
- o Curbing of corruption along with harassment faced by assessee
- o Non-personal interface between individual assessee and the tax department thereby increasing transparency
- o Cost saving in record keeping and appointing representatives
- o Filing responses digitally in support of the claim without resorting to the lengthy arguments

**JURISDICTION FREE ASSESSMENT:**

Jurisdiction means power or legal authority. Jurisdiction generally describes any authority over a certain area or certain persons. Where AO has been granted jurisdiction over any area, then his powers will be limited to such area. He would have jurisdiction in respect of any person, whose principal office is situated in such area.

Jurisdiction may be assigned by Commissioners of Income Tax to Assessing Officers with reference to specified areas, persons or class of persons or Income or classes of Incomes. [(Section 124(1)]. AO can receive the return from the assessee within his jurisdiction and makes assessment. Jurisdiction is not a matter of choice of either the Assessing Officer or the assessee. Assessee cannot be given the discretion to choose his officer.

**Income Tax Officer****Assessee**



The Income Tax Department is working on a new system of jurisdiction-free assessment. Under Jurisdiction free assessment, taxpayer would be assessed by a tax officer based in any part of the country. It is the measure to minimize interaction between the tax payer and the tax officer, to curb corruption and to ensure transparency.

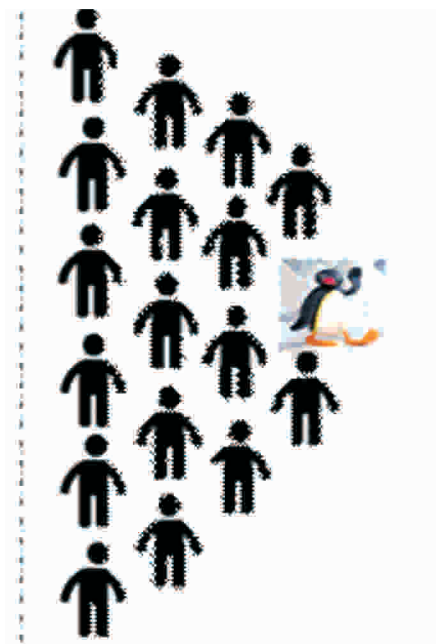
The system envisages allocation of a particular taxpayer's profile to any officer across the country through a software when compared to the existing system, where taxpayers are assessed in the specific region where they are based. Under this, identities of the tax payer and his AO will be kept confidential. Hence, new system will require amendment in the act.



**For Example:** If the tax department launches scrutiny against a person in Delhi, the software will provide the related correspondence and generate a unique identification number.

This number, or code, would be randomly assigned to an Assessing Officer (AO) say of Mumbai or Guwahati or anywhere else and because of this AO will not be able to identify the person against whom the scrutiny has been launched. The investigation will be pursued based on the case details and the relevant documents pertaining to the matter.

**TAX OFFICE ANY PLACE**



**CONCLUSION:**

- o E-Assessment is a welcome initiation by the CBDT, which will smoothen and fasten the Assessment process
- o There will be possibility of covering more cases thereby generation of revenue to the Government

***It's not that we use TECHNOLOGY... We live TECHNOLOGY And sufficiently advance TECHNOLOGY is Indistinguishable from MAGIC...***

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*This article is contributed by Madhuri, Intern of SBS and Company LLP. The author can be reached at [interns@sbsandco.com](mailto:interns@sbsandco.com)*

## GST

### MEANING AND SCOPE OF SUPPLY

Contributed by Sukanya & Vetted by CA Manindar K |

Every taxing statute provides for an event upon the occurrence of which, the respective tax will get attracted. This is popularly called taxable event. For example, excise duty is a levy on manufacture of excisable goods. The liability to pay excise duty under Excise law arises immediately upon manufacture of excisable goods. Similarly, Service tax is a levy on provision of services and VAT is a levy on sale of goods. In case of Goods and Services Tax (GST), it is a tax on supply of goods or services or both. Therefore, GST is a levy on 'Supply'. Thus, it is important to understand the meaning and scope of the word 'Supply' used in GST law.

The word 'Supply' is defined under section 7 of Central Goods and Services Tax Act, 2017. Accordingly, the meaning and scope of 'Supply' includes the following :-

- Inclusive part of the definition under section 7(1)(a) of CGST Act, 2017
- Import of Services for Consideration **whether or not** in the course or furtherance of business as provided under section 7(1)(b) of CGST Act, 2017
- Activities listed in Schedule I as provided under section 7(1)(c) of CGST Act, 2017
- Activities listed in Schedule II as provided under section 7(1)(d) of CGST Act, 2017

#### **Inclusive Part of the Definition:**

Under the inclusive part, the word 'supply' is defined to include all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for consideration by a person in the course or furtherance of business.

The inclusive part of the definition is of wide amplitude to cover every kind of transaction involving supply of goods or services if they are undertaken by one person to another person in the course or furtherance of business for a consideration. Further, the term business is also defined extensively to include any activity of trade, commerce, manufacture, profession, vocation, adventure, wager or other similar activities irrespective their volume, frequency, continuity or regularity of such transactions.

#### **Import of Services for Consideration whether or not in the course of business:**

Under erstwhile Service Tax law, import of services are covered under Reverse Charge Mechanism (RCM) where the recipient of service in India is required to pay service tax directly to Government instead of service provider. However, import of services by an individual or Governments are exempt from service tax, which means that there was no requirement to pay service tax under reverse charge.

On the other hand, Customs law provide for levy of customs duty upon import of goods even though such imports are for personal use and not for business.

Coming to GST, it appears that by including a specific clause under section 7(1)(ii), import of services for a consideration whether or not in the course or furtherance of business are also brought within the ambit of 'Supply' definition. Thereby all import of services including services for non-business purpose are also taxed in the manner similar to customs duty on goods.

Example: Mr. A obtained interior designing services from Mr. B located in USA for designing his House. Even if receipt of this service is not in the course or furtherance of business, A would be liable to pay GST under RCM.

### **Supply Includes Activities Listed under Schedule I:**

To become supply as per section 7(1)(a), consideration is essential. However, subclause(c) provides that activities listed in schedule I also becomes supply even though they are undertaken without consideration. These include;

1. Permanent Transfer or disposal of assets whose active life is not completed and input tax credit on such assets has been availed

Example: XYZ Ltd. Purchased a Machinery whose life expectancy is 10 years and availed the entire input tax Credit in its 1st year itself. After 5 years, it has transferred the machinery for no consideration. Even then, this transaction is to be treated as supply in order to reverse the ITC originally availed in the year of procurement in proportionate to the balance life of such machinery.

2. Any supply of goods or services or both between related person (holding and subsidiary company) or between distinct persons (branches located in different states) when made in the course or furtherance of business. The only exception is in case of gifts not exceeding Fifty thousand rupees in a financial year given by employer to employee.

As it is usual practice among group companies, head office and branch offices of same organisation, to exchange goods and services internally, this provision has been provided to deem these transactions as supply even in absence of consideration, in order to satisfy the requirements of destination-based consumption tax i.e. taxes should flow to the States where goods are eventually consumed.

Example: Inter State Stock transfer made between two branches.

3. Any Supply of goods between the Principal and Agent will constitute as Supply even in absence of consideration. This is also provided to satisfy the requirements of destination-based consumption tax as explained above.
4. Any import of services in the course or furtherance of business, by a taxable person from a related person (holding or Subsidiary) or from any of his other establishments outside India shall also be treated as supply even in the absence of consideration.

**Supply Includes Activities Listed under Schedule II:**

In terms of section 7(1)(d) of CGST Act, 2017, activities listed in schedule II are also to be treated as supply. These activities may independently qualify as 'Supply' in terms of section 7(1)(a). However, to avoid possible scope for ambiguity, these activities are listed under schedule II. In addition, the schedule also provides how each of the activities are to be treated i.e. whether as goods or services for determining their tax applicability. The activities listed in schedule II are listed as under;

1. Any transfer of title (includes title in goods shall pass at a future date) in goods is a Supply of Goods, giving the enjoyment to use the goods or a share in the goods is a Supply of services.  
Example: Hire Purchase Agreement
2. Any lease, tenancy, easement, license, to Occupy land or Building is a supply of **services**.  
Example: Letting out of a residential Complex
3. Any treatment, process or value addition made to another person's goods is a Supply of **Services**.  
Example: Packing and designing
4. Where business assets are transferred or disposed of whether or not for a consideration, is treated as supply of **goods**.
5. Where business assets are put to use for other than business purposes i.e., for private use or made available for another person is treated as Supply of **Services**.
6. Any person Ceases to be a taxable person, any goods forming part of the assets of business shall be deemed as supplied in the course or furtherance of business, unless-
  - the business is transferred as a going concern to another person; or
  - the business is carried on by a personal representative who is deemed to be a taxable person.

Example: XYZ Ltd. decided to wind up and accordingly transferred its assets to ABC Ltd, such transfer amounts to Supply.

7. Renting of immovable property is a Supply of services.
8. Sale of an under constructing complex, building, civil structure or a part thereof is to be treated as supply of services except where any consideration has been received after issuance of Complete certificate or its first Occupation whichever is earlier.
9. Temporary transfer or permitting the use or enjoyment of any Intellectual Property and any services relating to development or enhancement of software shall be treated as supply of services. Contrarily, permanent transfer of Intellectual Property including any canned or packed software may qualify as supply of goods. However, the question is whether a particular transaction relating to intellectual property shall be treated as supply of goods or service is practically redundant, since GST rate prescribed for transactions relating to intellectual property as goods or as services are same.

10. Agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act shall be treated as supply of services.
11. Works Contract involving material and services shall be treated as supply of service.
12. Restaurant and Catering services including supply of food and non-alcoholic beverages shall be treated as supply of services. However, this service does not include supply of alcohol as the said item is kept outside GST.
13. Any unincorporated association like AOP/BOI supplying goods to its members for a consideration shall be treated as Supply of Goods.

### **Exclusions Specified under Schedule III:**

With the above understanding of the meaning and scope of 'Supply' as defined for the purpose of levy of GST, we now proceed to understand are there any exclusions which does specifically kept outside the ambit of 'Supply' definition in order not to charge any GST. In terms of section 7(2), certain activities are listed in schedule III which are neither to be treated as supply of goods or services. The list includes the following;

1. Services by an **employee to the employer** in the course of or in relation to his employment. The rationale behind not taxing employee services to employer is that employees are being subject to professional tax which is a state levy. Therefore, Government has intentionally brought employee services out of GST by excluding the same from the scope of Supply.
2. Services by any Court or Tribunal.
3. Functions performed by the members of the Parliament, assembly, panchayats, Municipalities, other local authorities and duties performed by any person in the Constitutional Capacity (President or Governor).
4. The duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee.
5. Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
6. Sale of land and building after Issuance of Completion certificate or occupancy whichever is earlier.
7. Actionable claims, other than lottery, betting and gambling. It is implied that all other actionable claims other than lottery, betting and gambling does not constitute as Supply.

**Conclusion:** Summing up, 'Supply' is defined in widest possible amplitude by including all transactions undertaken for consideration. It includes transactions between related parties and inter-office transactions from one state to another, even in the absence of consideration. However, it excludes employee services to employer in the course of employment, immovable property transactions like sale of land and building, duties performed by the persons in the constitutional capacity like Governor and President, courts and Tribunal and functions performed by the Peoples representatives like MP`s and MLA`s.

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*This article is contributed by Sukanya, Intern of SBS and Company LLP. The author can be reached at [interns@sbsandco.com](mailto:interns@sbsandco.com)*

**FEMA****FEMA UPDATES****I. Master Direction on Foreign Investment in India**

- (a). Foreign Investment in India is regulated by the provisions of the Foreign Exchange Management Act, 1999 (FEMA) read with Foreign Exchange Management (Transfer or Issue of a Security by a Person Resident Outside India) Regulations, 2017.
- (b). Within the contours of the Regulations, Reserve Bank of India issues directions to Authorised Persons under the provisions of the Foreign Exchange Management Act (FEMA), 1999. This Master Direction lays down the modalities as to how the foreign exchange business has to be conducted by the Authorised Persons with their customers/ constituents with a view to implementing the regulations framed.
- (c). Instructions issued on Foreign Investment in India and its related aspects under the FEMA have been compiled in this Master Direction. The underlying circulars and notifications forms the basis of the Master Direction.
- (d). Reporting instructions can be found in Master Direction on Reporting under FEMA, 1999. The person or entity responsible for filing such reports shall be liable for payment of late submission fee for any delays in reporting.
- (e). It may be noted that, whenever necessary, Reserve Bank shall issue directions to change the Regulations or the manner in which relative transactions are to be conducted by the Authorised Persons with their customers/ constituents or amend the Master Direction issued herewith.

For detailed Master Direction, refer Notification No. RBI/FED/2017-18/60, FED Master Direction No. 11/2017-18 dated 04th January, 2018.

**II. Refinancing of External Commercial Borrowings (ECB) raised by overseas branches/ Subsidiaries of the Indian Banks**

- (a). In terms of the extant provisions, 'Refinancing of ECB' and 'Powers delegated to AD Category bank to deal with ECB cases' of Master Direction on "*External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers*"; refinancing of existing ECB with fresh ECB is permitted, provided the fresh ECB is raised at a lower all-in-cost and residual maturity is not reduced.



- (b).Further, refinancing of ECBs raised under the previous ECB framework may also be permitted, subject to additionally ensuring that the borrower is eligible to raise ECB under the extant framework. Raising of fresh ECB to part refinance the existing ECB is also permitted subject to same conditions.
- (c).The overseas branches/subsidiaries of Indian banks are however, not permitted to extend such refinance.To provide a level playing field, it has been decided, in consultation with the Government of India, to permit the overseas branches/subsidiaries of Indian banks to refinance ECBs of highly rated (AAA) corporates as well as Navratna and Maharatna PSUs, subject to the same conditions. Partial refinance of existing ECBs will also be permitted subject to same conditions.
- (d).All other aspects of the ECB policy remain unchanged and the Master Direction on External Commercial Borrowings is being updated to reflect the changes.

For more details, refer Notification No. RBI/2017-18/116, A.P. (DIR Series) Circular No. 15 dated 04th January,2018.

*These updates are contributed by Sunil Kumar and vetted by CA Murali Krishna G of SBS and Company LLP, Chartered Accountants. For any queries, please reach at [gmk@sbsandco.com](mailto:gmk@sbsandco.com)*

**COMPANIES ACT, 2013****RULES, CIRCULARS, NOTIFICATIONS AND ORDERS ISSUED DURING THE MONTH OF JANUARY, 2018****RULES**

No rules were issued during the month

**CIRCULAR**

No Circulars were issued during the month

**NOTIFICATIONS****❖ The Companies (Incorporation) Amendment Rules, 2018, Dt: 20.01.2018.**

Vide the said Notification, the Ministry has substituted the existing Rule no. 9, 10 and 12 in the Companies (Incorporation) Rules, 2014 (the Principal rules), with regard to Reservation of Name by using RUN (Reserve Unique Name) a web service available at www.mca.gov.in (Rule 9), the words "Form No.INC-7" shall be omitted (Rule 10).

Further where the objects of a company which require registration or approval from sectoral regulators such as the Reserve Bank of India, the Securities and Exchange Board, registration or approval, as the case may be, from such regulator shall be obtained by the proposed company after incorporation of the Company but before pursuing such objects and a declaration in this behalf shall be submitted at the stage of incorporation of the company.

The notification further provides that in case of incorporation of a company having more than 7 subscribers or where any of the subscriber to the MOA/AOA is signing at a place outside India, the physical MOA/AOA shall be filed with INC-32 (SPICe) in the respective formats as specified in Table A to J in Schedule I, and form INC-33 (e-MOA) and INC-34(e-AOA) are not applicable.

Further in case of companies incorporated, with a nominal capital of less than or equal to Rs.10 Lakhs or in respect of companies not having a share capital whose number of members as stated in the articles of association does not exceed 20, the fee on INC-32 (SPICe) shall not be applicable.

Consequent up on the introduction of RUN functionality, some of the e-forms have been modified, to include the SRN pertaining to RUN, in place of INC-1.

These rules shall come into force from 26.01.2018.

**[http://www.mca.gov.in/Ministry/pdf/CompaniesIncorporationAmendmentRules2018\\_25012018.pdf](http://www.mca.gov.in/Ministry/pdf/CompaniesIncorporationAmendmentRules2018_25012018.pdf)**

❖ **The Companies (Registration Offices and Fees) Amendment Rules, 2018, Dt: 20.01.2018.**

Vide the said notification, the Ministry has substituted the existing Table of fees (Item I, Table A), payable by the Companies on filing of forms/returns, with the ROC, with new table of fees. These rules shall come into force from 26.01.2018.

[http://www.mca.gov.in/Ministry/pdf/CompaniesRegnoofficeandfeesAmendmentRules2018\\_25012018.pdf](http://www.mca.gov.in/Ministry/pdf/CompaniesRegnoofficeandfeesAmendmentRules2018_25012018.pdf)

❖ **Commencement of the Companies (Amendment) Act, 2017:**

Vide notification Dt: 23.01.2018, the Ministry has notified Section 1 and Section 4 of the Companies (Amendment) Act, 2017, to be effective from 26.01.2018.

[http://www.mca.gov.in/Ministry/pdf/NotificationComapniesAct\\_23012018.pdf](http://www.mca.gov.in/Ministry/pdf/NotificationComapniesAct_23012018.pdf)

❖ **The Companies (Appointment and Qualification of Directors) Amendment Rules, 2018, Dt: 26.01.2018.**

Vide the said notification, the Ministry has substituted existing proviso in Rule 9 in the Companies (Appointment and Qualification of Directors) Rules, 2014 ("Principal Rules") with regard to manner of making Application for allotment of Director Identification Number by a person proposed to be appointed in an Existing Company, and also in case of a company proposed to be incorporated.

Accordingly, a person not having DIN, can get DIN only if he is proposed to be appointed as a Director in an Existing Company, and to this effect, the Board resolution proposing his appointment shall be filed with DIR-3, and the Director of the concerned Company in which such person, is proposed to be appointed, has to certify the form DIR-3.

Persons intending to Incorporate a Company, can get their DIN at the time of Incorporation, subject to a maximum of 3 DINs.

[http://www.mca.gov.in/Ministry/pdf/AppointmentQualificationDirectoramendmentrules2018\\_25012018.pdf](http://www.mca.gov.in/Ministry/pdf/AppointmentQualificationDirectoramendmentrules2018_25012018.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](mailto:phanindra@sbsandco.com)*

**SATURDAY SESSIONS**

S.No.	Event	Date	Speaker	Venue
1	Hotel Industry Audit- Housekeeping Department	03/02/2018	Sarvani	SBS - Hyd
2	Highlights of Companies (Amendment) Act, 2017		Arun	SBS - Hyd
3	Cash Credits as per Income Tax Act, 1961	10/02/2018	Kanakaraj	SBS - Hyd
4	Valuation for Specific Supplies		Divya Sree	SBS - Hyd
5	Overview on the Foreign Contribution (Regulation) Act, 2017	17/02/2018	Sunil	SBS - Hyd
6	Technical session on excel		Sai Krishna	SBS - Hyd
7	Depreciation as per Income Tax Act, 1961	24/02/2018	Sai Varun	SBS - Hyd
8	Depreciation as per Companies Act, 2013		Madhulika	SBS - Hyd
9	Section 44ADA of Income tax Act, 1961	03/03/2018	Murali	SBS - Hyd
10	Registration Under GST		Raghu	SBS - Hyd

**SESSIONTIMINGS: 2:30 to 4:30 PM***An overview on SEZ - Sauchit (4)**Income of other persons included in Assessee total income - P. Harini**Technical Session on excel regarding filing of GSTR by Sai krishna*



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