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Ministry of Corporate Affairs

1. MCA has notified the Companies (Acceptance of Deposits) (Amendment) Rules, 2017 on 11th May 2017. In Rule 2(1)(c)(xviii), Infrastructure Investment Trust has been inserted. Further, MCA has also extended the time period for applicability of deposit insurance from March 31, 2017 till March 31, 2018 or availability of deposit insurance product, whichever is earlier.

2. MCA has issued a general circular no. 05/2017 dated 16th May 2017 wherein it has withdrawn the previously issued Circular dated 27th April 2017 w.r.t transfer of shares to IEPF Authority. The subject matter of the previous circular is being reviewed by the Ministry and hence the said circular stands withdrawn with immediate effect. Fresh instructions will be issued in due course of time. As per the earlier issued circular, all companies required to transfer shares to IEPF Authority under the applicable Rules shall transfer such shares, whether held in dematerialised form or physical form, to the demat account of IEPF Authority by way of corporate action.

3. MCA notifies April 1, 2017 as the date on which provisions of clause (a) to (d) of Sec. 2 of the Insolvency and Bankruptcy Code, 2016, relating to voluntary liquidation / bankruptcy shall come into force. Section 2 provides that the Code shall be applicable to (a) any company incorporated under the Companies Act, 2013/ under any previous company law, (b) any other company governed by any special Act, (c) any Limited Liability Partnership (‘LLP’) incorporated under the LLP Act, 2008, (d) such other body incorporated under any law as notified by the Govt., and (e) partnership firms and individuals, in relation to their insolvency, liquidation, voluntary liquidation / bankruptcy. MCA further, clarifies by way of explanatory
memorandum that by giving retrospective effect to the notification, “no one is being adversely affected and giving retrospective effect to this notification is purely procedural in nature”.

4. MCA vide general circular no. 4/2017 dated 16th May 2017 had issued clarification regarding applicability of Section 16(1)(a) of the Companies Act, 2013 with reference to cases under corresponding provisions of Companies Act, 1956 and clarified that applications that were rejected by Regional Directors under section 22(1)(ii)(b) of the Companies Act, 1956 on the grounds that such applications were made after the requisite period of twelve months specified therein, cannot apply afresh under Section 16(1)(a) of the Companies Act, 2013, as the extinguished limitation cannot be considered to be received even if no limitation period has been prescribed/ laid down in said section. Section 16 is relating to Rectification of name by the Central Government.

5. MCA has notified the much awaited East Exit Scheme for LLP. The Central Government has amended the Rules by notified the Limited Liability Partnership (Amendment) Rules, 2017, which shall come into force with effect from 20th May, 2017. According to the amendment, LLP has to file all overdue returns before filing an application to registrar for striking off its name. LLP has to file overdue returns in Form 8 and Form 11 up to the end of the financial year in which the limited liability partnership ceased to carry on its business or commercial operations before filing Form 24 along with certain documents. Further a a copy of the acknowledgement of the latest Income-tax return filed along with the copy of the initial limited liability partnership agreement, if entered into and not filed, along with changes thereof in cases where the Limited Liability Partnership has not commenced business or commercial operations since its incorporation is also required to be filed.

6. In exercise of the powers conferred by Section 419, the President, NCLT hereby reconstitutes the Benches at New Delhi. There will be now 4 Benches at New Delhi comprising of Principal Bench, Division Bench and two Single Benches. Further, the Single Benches headed by Shri R. Varadharajan, shall attend matters presently pending before it and all the matters related to Amalgamation (section 230-232 of Companies Act, 2013 and section 391-394 of Companies Act, 1956) below 50 Lakh
paid up capital. Further, this Bench shall also attend the matters of amalgamation above 50 Lakhs paid up capital whenever assigned by Hon’ble President through Special Order. That order has come into force with effect from 22\textsuperscript{nd} May, 2017.

**Securities and Exchange Board of India**

1. SEBI vide [circular no. SEBI/HO/IMD/DF2/CIR/P/2017/39](#) dated 8\textsuperscript{th} May 2017 has directed all the Mutual Fund Companies to provide Instant Access Facility and e-wallet facility for investment in Mutual Funds. IAF (Instant Access Facility) facilitates credit of redemption proceeds in the bank account of the investor on the same day of redemption request. IAF shall be allowed through online mechanism and only for resident individual investors subject to the fulfillment of the conditions mentioned in this circular. Further, with an objective to promote digitalization, MFs/AMCs can accept investment by an investor through e-wallets (Prepaid Payment Instruments (PPIs)) subject to the conditions mentioned in this circular. MFs/ AMCs shall ensure that total subscription through e-wallets for an investor is restricted to INR 50,000/- per MF per financial year.

2. SEBI vide [circular no. SEBI/HO/MRD/DSA/CIR/P/2017/45](#) dated 23\textsuperscript{rd} May 2017 has issued Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015-Permissible investments by Portfolio Managers, Alternate Investment Funds and Mutual Funds operating in IFSC. Thereby, Clause 9 (4) and Clause 22(3) of SEBI (IFSC) Guidelines, 2015 are amended. A portfolio manager or any alternative investment fund or mutual fund operating in IFSC shall be permitted to invest in the Securities which are listed in IFSC, Securities issued by companies incorporated in IFSC and Securities issued by companies incorporated in India or companies belonging to foreign jurisdiction subject to such conditions or guidelines that may be stipulated or issued by the Reserve Bank of India and Government of India from time to time. Further, it is clarified that such portfolio
manager, alternative investment fund or mutual fund shall invest in India through the foreign portfolio investor route.

3. SEBI has issued a circular no. CIR/IMD/DF/51/2017 dated 30th May 2017 regarding the Disclosure Requirements for Issuance and Listing of Green Debt Securities. Accordingly, a debt security shall be considered as a Green Debt Securities if the funds raised through issuance of the debt securities are to be utilised for project(s) and/or asset(s) of Renewable and sustainable energy, Clean transportation, Sustainable water management, Sustainable waste management and Biodiversity conservation etc. The Circular also provides for the disclosures to be made by the issuer Company in the Offer Document and list of Continuous Disclosures to be made in the half yearly and annual financial results and in the annual report.

Reserve Bank of India

1. Ministry of Finance has issued an order on 5th May 2017, in exercise of the powers conferred by Section 35AA of the Banking Regulation Act, 1949 (10 of 1949). Through this order, the Central Government authorises the Reserve Bank of India to further issue such directions / instructions to any banking company or banking companies which may be considered necessary to initiate insolvency resolution process in respect of a default, under the provisions of the Insolvency and Bankruptcy Code, 2016. This will surely lead to recovery of loan through initiation of the Corporate Insolvency Resolution Process by the Banks against the Corporate Debtors.

2. RBI has outlined the steps taken and those on the anvil post the promulgation of the Banking Regulation (Amendment) Ordinance, 2017. The amendments to the BR Act 1949, introduced through the Ordinance, and the notification issued thereafter by the Central Government empower RBI to issue directions to any banking company or banking companies to initiate insolvency resolution process in respect of a
default, under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). It also enables the Reserve Bank to issue directions with respect to stressed assets and specify one or more authorities or committees with such members as the Bank may appoint or approve for appointment to advise banking companies on resolution of stressed assets. Immediately upon the promulgation of the Ordinance, the Reserve Bank issued a directive bringing the changes to the existing regulations on dealing with stressed assets. The Reserve Bank is working on a framework to facilitate an objective and consistent decision making process with regard to cases that may be determined for reference for resolution under the IBC. Reserve Bank has already sought information on the current status of the large stressed assets from the banks. The RBI would also constitute a Committee comprised majorly of its independent Board Members to advise it in this matter.

Central Board of Excise and Customs

1. CBEC has issued a Press Release specifying the Tax Incidence on Entertainment Services under GST. Taxes on entertainments and amusements (covered by the erstwhile entry 62 of State List of the Constitution) have been subsumed under GST except to the extent of taxes on entertainments and amusements levied by a Panchayat or a Municipality. The rate of GST approved by GST Council on services by way of admission to entertainment events or cinematography films in cinema theaters is 28%. The rate of GST approved by GST Council on entertainment tax on cable TV and Direct-To-Home (DTH) services is 18%. The rate of GST approved by GST Council on access to circus, theater, Indian classical dance including folk dance and drama is 18% ad-valorem. Further, the GST Council has approved an exemption upto a consideration for admission of Rs 250 per person. Thus, entertainment services shall suffer a lower tax incidence under GST. In addition to the benefit of lower headline rates of GST, the service providers shall be eligible for full input tax credits (ITC) of GST paid in respect of inputs and input services. Presently, such service providers are not eligible to avail of input credits in respect of VAT paid on domestically procured capital goods & inputs or of Special Additional Duty (SAD) paid on imported capital goods and inputs.
Central Board of Direct Taxes

1. CBDT has issued the **Income Tax (9th Amendment) Rules, 2017** on 2nd May 2017. In the Income-tax Rules, 1962 (the principal rules), after Rule 21AC, new Rule 21AD shall be inserted. The rule provides that the Exercise of option under sub-section (4) of section 115BA (i.e., Tax on income of certain domestic companies at the rate of Twenty-Five Percent) by a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2017, shall be in Form No. 10-IB. The option in Form No. 10-IB referred to in sub-rule (1) shall be furnished electronically either under digital signature or electronic verification code. Further, the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), shall specify the procedure for filing of Form and shall also specify the data structure, standards and manner of generation of electronic verification code.

2. CBDT has made it easy for taxpayers to link their PAN with Aadhaar. Taxpayers can go to [www.incometaxindiaefiling.gov.in](http://www.incometaxindiaefiling.gov.in) and click on the link on the left pane-> Link Aadhaar, provide PAN, Aadhaar no. and enter name exactly as given in Aadhaar card and submit. This facility is also available after login on the e-filing website under Profile settings and chooses Aadhaar linking. Taxpayers are requested to use the simplified process to complete the linking of Aadhaar with PAN immediately.

3. CBDT has notified **exemption from quoting Aadhaar /Enrolment ID to certain individuals**. As per section 139AA of the Income-tax Act, 1961 as inserted by the Finance Act, 2017, it is mandatory to quote Aadhaar / Enrolment ID of Aadhaar application form for filing of return of income w.e.f. 1st July, 2017. Further, the requirement of quoting of Aadhaar/ Enrolment ID shall not apply to an individual who is residing in the state of Assam, Jammu and Kashmir and Meghalaya; an individual who is a non-resident as per the Income-tax Act, 1961; an individual of the age of eighty years or more at any time during the previous year and an individual who is not a citizen of India.
4. CBDT entered into two Unilateral Advance Pricing Agreements (APA) on 4th May, 2017 and 11th May, 2017 respectively, with Indian taxpayers. One of the Agreements also has “Rollback” provision. The APA Scheme endeavours to provide certainty to taxpayers in the domain of transfer pricing by specifying the methods of pricing and determining the arm’s length price of international transactions in advance for the maximum of five future years. Further, the taxpayer has the option to rollback the APA for four preceding years, as a result of which, total nine years of tax certainty is provided. Since its inception, the APA scheme has attracted tremendous interest among Multi National Enterprises (MNEs). The two APAs signed pertain to chip design/development of embedded software and Information technology (software development) sectors of the economy. The number of APAs signed in the current financial year now is four. The CBDT expects more APAs to be signed in the near future.

5. CBDT hereby directs, in super-session of earlier issued notifications, that the Income-tax authorities under section 116 of the Income-tax Act, 1961, having headquarters at the places specified, to exercise the powers and perform the functions of the ‘Authority’ under the Prohibition of Benami Property Transactions Act, 1988 in respect of the territorial areas as specified in the notification and having jurisdiction vested in them. Through this notification, Income Tax Commissioners and Income Tax Officers are being appointed as Approving Authority, Initiating Officer and Administrator under the Benami Property Transactions Act, 1988.

6. CBDT has issued general circular no. 18/2017 dated 29th May 2017 to exempt certain funds or authorities or Boards or bodies, from the requirement for tax deduction at source, on the ground that their income is anyway exempt under the Income-tax Act. Section 10 of the Income-tax Act, provide that the person whose income is unconditionally exempt under that section and who are also statutorily not required to file return of income as per section 139 of the Income-tax Act. Accordingly, LIC Fund, IRDA, Prasar Bharati, Prime Minister’s National Relief Fund, Provident Fund and New Pension Scheme Trust are few of the funds or authorities eligible for the exemption.

7. CBDT has issued notification no. 6/2017 on 30th May 2017 to clarify that Form 15G/15H to be filed once in a year and not every time when payment is
due. Clarification has been provided that it will be sufficient if only one declaration
is made in respect of the income each year before each person responsible for
making the payment and whenever the estimated total income/aggregate income
changes and new investments are made, one needs to file new form 15G/15H
providing particulars of the same.

Real Estate (Regulation and Development) Act, 2016

1. In pursuance of powers conferred under clause (1) of article 239 of the
Constitution, the President hereby directs that the powers and the
functions of the appropriate Government under the Real Estate
(Regulation and Development) Act, 2016, other than the powers under
section 82 and section 84, shall, subject
to the control of the President and until further orders, be exercised and
discharged, in relation to the Union territories of Andaman and Nicobar Islands,
Chandigarh, Dadra and Nagar Haveli, Daman and Diu and Lakshadweep, by the
Administrator or the Lieutenant Governor, by whatever name called, of the
respective Union territory. Further, all powers & functions in relation to the National
Capital Territory of Delhi shall, subject to the control of the President and until
further orders, be exercised, by the Lieutenant Governor of Delhi.

Insolvency and Bankruptcy Board of India

1. IBBI has constituted a Technical Committee in accordance with Regulation 14 of the
IBBI (Information Utilities) Regulations, 2017. Dr. R. B. Barman (Chairman, National
Statistical Commission) has been appointed as Chairperson of the Committee. The
Committee shall give its recommendation for laying down Technical Standards for
the performance of core services and other services under Insolvency and
Bankruptcy Board of India (Information Utilities) Regulations, 2017 and including
on the matters relating to the Application Programming Interface; standard terms of
service; registration of users; unique identifier for each record and each user; submission of information etc.

2. MCA has issued the Insolvency and Bankruptcy Code (Removal of Difficulties) Order, 2017. In the Insolvency and Bankruptcy Code, 2016, in the Eighth Schedule, relating to amendment to the Sick Industrial Companies (Special Provisions) Repeal Act, 2003, in section 4, in clause (b), after the second proviso, the following provisos shall be inserted, namely:—

“Provided also that any scheme sanctioned under sub-section (4) or any scheme under implementation under sub-section (12) of section 18 of the Sick Industrial Companies (Special Provisions) Act, 1985 shall be deemed to be an approved resolution plan under sub-section (1) of section 31 of the Insolvency and Bankruptcy Code, 2016 and the same shall be dealt with, in accordance with the provisions of Part II of the said Code: Provided also that in case, the statutory period within which an appeal was allowed under the Sick Industrial Companies (Special Provisions) Act, 1985 against an order of the Board had not expired as on the date of notification of this Act, an appeal against any such deemed approved resolution plan may be preferred by any person before National Company Law Appellate Tribunal within ninety days from the date of publication of this order.”

3. The provisions of Section 16(3)(a) of the Insolvency and Bankruptcy Code, 2016 (Code), provide that the Adjudicating Authority (AA) shall make a reference to the Insolvency and Bankruptcy Board of India (Board) for recommendation of an Insolvency Professional (IP) who may act as an Interim Resolution Professional (IRP) in case an operational creditor has made an application for Corporate Insolvency Resolution Process (CIRP) and has not proposed an IRP. The Board is under an obligation, as per the provisions of Section 16(4) of the Code, to recommend the name of an IP to AA within 10 days of receipt of the reference from AA. In this regard, the Board has issued guidelines, namely “Insolvency Professionals to act as Interim Resolution Professionals (Recommendation) Guidelines, 2017”. For the purpose of Identification of IP, two new criteria have been introduced, that the IP is
located in the vicinity of registered office of the corporate debtor and has expresses his interest to act as IRP of the CIRP in response to invitation of interest by the Board. The expression of interest must be received by the Board in Form A within 24 hours of invitation of expression of interest.

**Maternity Benefit (Amendment) Act, 2017**

1. The [Ministry of Labour & Employment has issued clarification on recently notified Maternity Benefit (Amendment) Act, 2017](#). Keeping in view queries received from various quarters, the Ministry of Labour & Employment, on 12.04.2017, had issued certain clarifications on various provisions of Maternity Benefit (Amendment) Act, 2017. One of the clarifications issued by the Ministry stated that the enhanced maternity benefit, as modified by the Maternity Benefit (Amendment) bill, 2016 can be extended to women who are already under maternity leave at the time of enforcement of this Amendment Act. Having received further queries and to remove doubts, it is further clarified that it is mandatory on the part of employers to extend the benefit of enhanced maternity leave to those women workers who were already on maternity leave on the date of enforcement of the Maternity Benefit (Amendment) Act, 2017 i.e. as on 01.04.2017.

**Bombay Stock Exchange**

1. BSE has notified that the System Audit of stock brokers should be conducted annually on Stock Brokers who use Intermediate Messaging Layer (IML)/ Internet Based Trading (IBT)/ Direct Market Access (DMA)/ Securities Trading using Wireless Technology (STWT) / Smart Order Routing (SOR) and have presence in more than 10 locations or number of terminals are more than 50 and
Stock Brokers who are depository participants or are involved in offering any other financial services. The stockbrokers were required to submit the System Audit Report for the period ended March 31, 2017 latest by June 30, 2017. Further, in case of non/late submission of System audit report for period ended March 31, 2017 beyond June 30, 2017, disciplinary action/charges will be initiated including Charges of Rs 100/- per day will be levied- for the month of July 2017 and Exchange will withdraw BOLT /BOLTPLUS/ IML facility for non-submission of System audit report w.e.f. 01-08-2017.