

Brief of changes in C&I Taxonomy 2016

MCA has come up with the further revision in C&I Taxonomy for Annual filing for the year 2014-15 and the year 2015-16. The brief about the changes are discussed here below:

Details of Secretarial Auditor

1. Till earlier year in the field for membership number of secretarial auditor, instead of membership number COP number was required to be mentioned for validation, error is rectified in the revised business rules.
2. Separate ELR is added for COP number of Secretarial Auditor.

CSR Disclosure

3. New table for disclosure of net profit of last three years' has been inserted with following axis:
 - Financial Year,
 - profit before tax, and
 - net profit computed u/s 198 and adjusted as per rule 2(1)(f) of Companies.
4. "Average net profit for last three financial years" will be validated as per the above mentioned table of "Net profit of last three year".
5. Amount of "Prescribed CSR Expenditure" will be validated with 2% of the above mentioned "Average net profit of last three years".
6. New validation rule has been added to verify the amount of CSR Spent

disclosed in director's report with amount of CSR Expenditure in the PL statement.

7. In mode of amount spent, Enumerations modified to the concept are as below:
 - i. Directly by company
 - ii. **By Trusts/ Societies/ Section 8 company set up by company itself**
 - iii. **By Trusts/ Societies/Section 8 company set up by Central or State Government or entities established under special Act of Parliament/ State Legislature**
 - iv. Other implementing agencies

Auditors Report

8. Taxonomy has been aligned with the CARO 2016.

Disclosure of general information about company

9. New Tag added for 'Whether company is maintaining books of account and other relevant books and papers in electronic form' in case of yes following further information will be desired.
 - a. Postal address of place of maintenance of computer servers (storing accounting data)
 - b. Name of city of place of maintenance of computer servers
 - c. Name of state/ union territory of place of maintenance of computer servers

- d. Pin code of place of maintenance of computer servers
- e. Name of district of place of maintenance of computer servers
- f. ISO country code of place of maintenance of computer servers
- g. Name of country of place of maintenance of computer servers
- h. Phone (with STD/ ISD code) of place of maintenance of computer servers
- i. In case of service provider following further information will be disclosed:
 - Name of the service provider
 - Internet protocol address of service provider
 - Location of the service provider
 - Whether books of account and other books and papers are maintained on cloud
 - Address as provided by the service provider

Disclosures - Directors report

10. ELR added for disclosure of other reasons if company fails to spend prescribed amount on CSR.
11. ELR added "Whether there are contracts/arrangements/transactions not at arm's length basis" and in case of affirmation table is mandatory earlier table was mandatory in every case.
12. ELR added "Whether there are material contracts/arrangements/transactions at arm's length basis" and in case of affirmation table is mandatory earlier table was mandatory in every case.

13. In these tables, the enumerations for "the nature of related party relationship" are revised as follows;
 - a. Director or his relative,
 - b. Key managerial personnel or his relative,
 - c. Firm in which director, manager or his relative is a partner,
 - d. Private company in which a director or manager or his relative is a member or director,
 - e. Public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital,
 - f. Body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager,
 - g. Person on whose advice, directions or instructions a director or manager is accustomed to act,
 - h. Holding company,
 - i. Subsidiary company,
 - j. Associate company,
 - k. Fellow Subsidiary company,
 - l. Director other than an independent director or key managerial personnel of the holding company or his relative with reference to a company.

Subclassification and notes on income and expenses

14. In the Cost information technology, hierarchy of ELR has been changed.

Reach us at

**Contact person: Nikunj Aeron
NDRL & Co.**

Chartered Accountant

p: +91 11 42156270 **m:** 9871209339

a: A-79, GF, Madhuban, Preet Vihar, New Delhi
– 110092

w: www.ndrl.in **e:** nikunj@ndrl.in



About us

NDRL & Co. (formerly Gupta Aeron & Co.) has a strong team of young professionals in the field of Finance, Accounts, Direct Tax, Indirect Tax, Company Law and Business Consulting. In a span of five years of its establishment, it has been able to mark niche as fine professionals and a recognised and dependable partner for the client. The firm is located in NCT of New Delhi. The client base of the firm ranges from medium to large size corporates in India.

By its endeavour, the firm is preferred knowledge partner in the area of XBRL and XBRL conversion programs. With a view to tailor our services, firm assists its clients to cater their individual needs. Firm is regular in providing consulting services in the areas of Execution & Control, Corporate Laws and Taxes related matters.

This update does not constitute professional advice. The information in this update has been obtained or derived from sources believed NDRL & Co. to be reliable but NDRL does not represent that this information is accurate or complete. Any opinions or estimates contained in this update represent the judgment of NDRL at this time and are subject to change without notice. Readers of this update are advised to seek their own professional advice before taking any course of action or decision, for which they are entirely responsible, based on the contents of this update. NDRL neither accepts nor assumes any responsibility or liability to any reader of this update in respect of the information contained within it or for any decisions readers may take or decide not to or fail to take.

NDRL & Co.