

ACQUISORY

NEWS CHRONICLE

MARCH 2017

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*The true entrepreneur
is a doer, not a dreamer.*

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HIGHLIGHTS

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ARTICLE

Finance Act, 2017 – An Overview

The Finance Act has come into force w.e.f. 1st April, 2017 while providing some relief to lower income groups by way of lower tax slabs. The Act has introduced stringent amendments in taxation laws. Continuing on its endeavour for a transparent system the government has also made AADHAR mandatory for tax filing from 1st July, 2017 and mandatory disclosure of cash transactions for the demonetization period. Various other amendments has been taken up in the Finance Act, 2017 which shall keep an overall track of the taxation provisioning for all types of assessees.

Insolvency and Bankruptcy Code 2016 – Role of Professionals under the Code

The Insolvency and Bankruptcy Code 2016 seeks to address the issues faced currently in the context of insolvency and winding up of companies. The code aims to revamp the prevailing bankruptcy laws and replace them with simpler and time bound closure of business. This area of law has given an opportunity to the professionals like CA/CS/LLB/CWA to act as Insolvency Professionals and Agencies. The professionals will have a wider role in handling the Insolvency Resolution Process. These agencies will develop professional standards, codes of ethics and exercise a disciplinary role.

LEGAL UPDATES

Companies to disclose details of Specified Bank Notes in Balance Sheet & Audit Report

Ministry of Corporate Affairs (MCA) vide Notification dated 30th March, 2017 has made amendments to Schedule III of the Companies Act, 2013, wherein it has now been decided that every company shall disclose the details of Specified Bank notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 in the format as prescribed.

Mandatory Filing of Financial Results In XBRL Mode

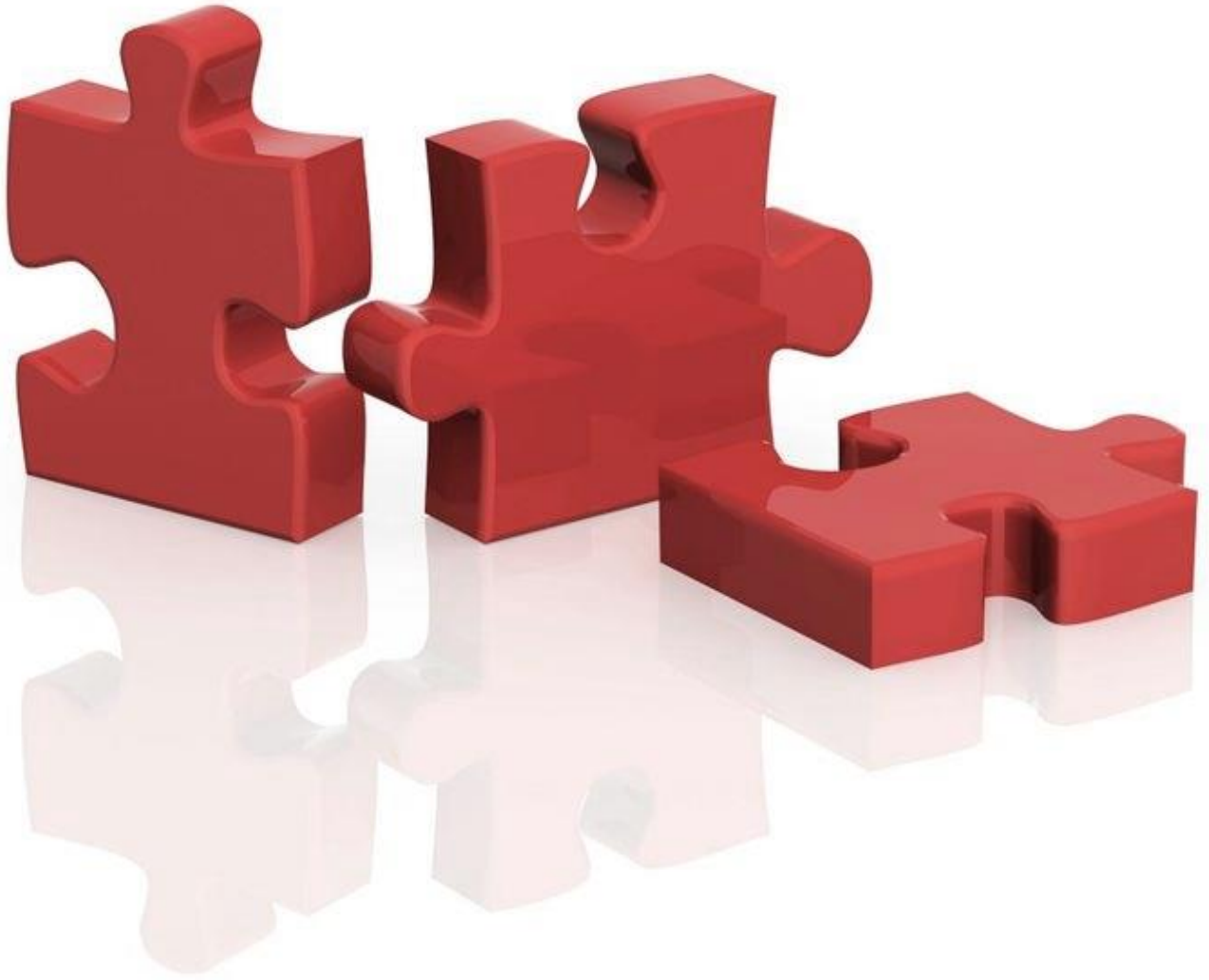
BSE has decided that with effect from April 01, 2017 onwards, all listed entities with BSE, would be required to make their filings in respect of Financial Results (Regulation 33 and Regulation 52) in XBRL mode within 24 hours of submission of results in PDF mode. This requirement however, would not apply to Insurance Companies which can continue to make their filings for Financial Results in PDF mode only. Financial Results are required to be submitted along with the Limited Review Report / Audit Report first, in PDF mode through the Listing Centre website – Corporate Announcement Filing System (CAFS) within 30 minutes of the conclusion of the Board Meeting. This is required to be followed by filing of the result in XBRL mode within 24 hours from the conclusion of the Board Meeting.

CBDT notifies new Income Tax Return Forms for AY 2017-18: Introduces one page simplified ITR Form-1(Sahaj)

Ministry of Finance, Central Board of Direct Taxes (CBDT) vide Press Release dated 31st March, 2017 has notified Income-tax Return Forms (ITR Forms) for the Assessment Year 2017-18. One of the major reforms made in the notified ITR Forms is the designing of a one page simplified ITR Form-1(Sahaj). This ITR Form-1(Sahaj) can be filed by an individual having income upto INR 50 lakh and who is receiving income from salary one house property / other income (interest etc.).

Maternity Bill Act Amendment, 2017

The Maternity Bill has received assent from the Honourable President of India. The amendment has been made with regard to Extending the period of maternity leave from twelve weeks to Twenty six weeks.



ARTICLES



FINANCE ACT 2017 – AN OVERVIEW

The Finance Bill, 2017 which was introduced in the Lok Sabha on 1st February, 2017 which has now been made Finance Act 2017 w.e.f. 1st April, 2017 after receiving the assent of the President of India on 31st March, 2017.

Major changes in the Finance Act, 2017

Income Tax Rate for the AY 2018-19 (FY 2017-18)

For individual tax payer the new slab of surcharge of 10% for Total Income of INR 50 Lacs to INR 100 Lacs has been introduced. Whereas for the income exceeding INR 100 Lacs, the surcharge shall be 15% of total income. Presently a tax rebate of INR 5000/- is allowed if the total income does not exceed INR 5,00,000/-. With effect from 01/04/2017, the limit has been reduced to INR 2500/- up to the total income of INR 3,50,000/-.

In case of companies, where the total turnover or gross receipt does not exceed INR 50 Crore during FY 2015-16, the tax rate would be 25% for FY 2017-18.

Applicability of Tax Deducted at Source (TDS) Rate for FY 2017-18

The Finance Act, 2017 now specifies that every individual/HUF, not covered by Tax Audit Provisions, shall be liable to deduct TDS at the rate of 5%, if the monthly rent exceeds INR 50,000/- per month as compared to the earlier provision wherein the individual/HUF who comes under the tax audit provision (Turnover exceeding INR 1 Crore) were liable to deduct TDS on rent (whether used for business or residence) if the total rent exceeds INR 1,80,000/- per annum.

Provisions w.r.t Capital Gains

Holding Period of Capital Asset:

The Finance Act has reduced the holding period of Land/Building to 24 months. For various other assets such as All listed Shares, Units of Equity Oriented Mutual Funds and Securities the holding period has been reduced to 12 months and for any other type of capital asset including units or Debt Oriented Mutual Fund the period has been reduced to 36 months.





FINANCE ACT 2017 – AN OVERVIEW

Exemption on Sale of Long Term Capital Gain on Equity Shares

With the Finance Act, 2017 coming into force one of the major amendment that has been made is w.r.t. exemption provided on Sale of Long Term Capital on Equity Shares (after paying Securities Transaction Tax STT) which shall be subject to the following conditions –

The shares should have been purchased after paying STT if these were acquired after 01/10/2004.

However, the above mentioned condition would not be applicable if the acquisition is out of IPO, Follow-on IPO, Right Issue or Bonus issue for which separate notification would be issued by Government.

Applicability of Joint Development Agreement on Land/Building owned by Individual/HUF

The Finance Act has tried to curb the problems faced by the owner's w.r.t. Capital Gain liability which is triggered as soon as the Joint Development Agreement (JDA) is entered and possession of the property is handed over for development to developer, though the sale of the developed property which might take several years. Thus, to address such problems, new provisions under section 45 (5A) has been inserted in Income Tax Act, 1961 which lays down the following conditions-

- a) There should be a registered agreement between the owner of the Land or Building or both and developer, to develop the real estate in consideration of land or building or both or part in cash.
- b) Capital gain shall be chargeable to tax as income of the previous year in which the certificate of completion for the whole or part of the project is issued by the Competent For this purpose, the stamp duty value shall be the value on the date of issuing the completion certificate.

Shifting of Base Year for Computation of Capital Gains

The Finance Act, 2017 has provided the option to assessee to substitute the fair market value (FMV) as on 01/04/2001 in case of of asset acquired prior to 01/04/2001. Earlier this date was 01/04/1981.

Capital Gain applicability for Unquoted Share

With the introduction of new Section 50CA w.e.f. 1st April, 2017, the Fair Market Value (FMV) would be deemed to be the full value of consideration if actual sale consideration is less than the FMV on the date of sale of shares. Thus, the both seller and buyers would have to pay tax on the difference if the FMV is higher than the actual consideration.



FINANCE ACT 2017 – AN OVERVIEW

Tax Provisions on Acquisition of Asset without consideration or inadequate consideration by firms/Association of Persons (AOP) and widely held companies

Until the present tax norms, firms, AOP and widely held companies were not liable to tax on difference between Fair Market Value (FMV) and actual consideration.

The recent Finance Act, 2017 now provides that firms/AOPs and widely held companies to pay tax under section 56(2) on the difference if the Fair Market Value is higher than actual consideration of movable or immovable asset. However trusts, transactions between relatives, HUF partition etc. are still out and not liable to pay the tax on the difference amount.

Setting off of Interest on Housing Loan on Rented Properties

The present tax structure allows the setting off of interest on housing loans in respect of let out properties against other income without any limit. With the Finance Act, 2017 in place, the loss under the 'Income from House Property' would be kept limited to INR 2,00,000/- for adjustment against other income head and balance loss, if any, would be allowed to be carried forward for next 8 years for setting off against the same head of income under the 'Income from House Property'. Such carried forward loss would be allowed to be setoff against 'Income From House Property' without limit of INR 2,00,000/-.

Amendments related to Trust

The Finance Act, 2017 has also provided for various amendments related to Trust, w.e.f. 1st April, 2017 Trusts are required to file their Income Tax Return if their receipts (before making any deduction for application) exceeds basic exemption limit i.e. INR 2,50,000/- for AY 2018-19.

With effect from 1st April, 2017, trusts would be allowed to avail the benefit u/s 11 and 12 only if they file the ITR before the due dates u/s 139(1). Any delay in filing the ITR would disentitle them from the benefits u/s 11 and 12.

It has now been provided that a trust registered u/s 10(23C) or 12AA can not make 'Corpus Donations' out of its income to any another trust registered u/s 10(23C) or 12AA. Such donations, if made, would not be treated as 'Application' of funds of 'Donor' Trust. Presently also, the 'Donations' out of the 'Accumulated Income' are not treated as application out of such income.

Further to the above mentioned amendments, it is also provided under the Finance Act, 2017, if the trust registered u/s 12A/12AA modifies its objectives subsequently, then trust would be required to obtain fresh registration by filing an application within 30 days of such adoption or modification of the objectives.

Provisions made applicable for Builders/Owners of the Property

Under the Finance Act, 2017 it has now been decided that from AY 2018-19 onwards, if any property is held as stock-in-trade and such property is not let out during the whole (or any part) of the previous year, annual value of such



FINANCE ACT 2017 – AN OVERVIEW

property shall be taken as 'Nil' for a period of 1 year from the end of the FY in which the certificate of completion of construction of the property is obtained from the competent authority.

Amendments w.r.t. Cash Payments and Receipts

Until March, 2017, any revenue expenditure incurred in cash (i.e. other than Account Payee Cheque /draft, NEFT, RTGS, Credit/ Debit Card) exceeding INR 20,000/- per day per person (INR 35,000/- in case of a transport contractor) was not allowed as deduction u/s 40A(3). With the Finance Act, 2017 this limit of INR 20,000/- has now been brought down to INR 10,000/- per day per person. However, the limit of INR 35,000/- for payment to transporter continues.

The Finance Act, 2017 has now added restriction on the payment in cash for the acquisition of any asset, w.e.f. 1st April, 2017 cash payment exceeding INR 10,000/- per day person made otherwise than through Account Payee Cheque / draft, NEFT, RTGS, Credit/ Debit Card would not be considered as part of the cost of assets and accordingly such amount would not be considered for the purpose depreciation nor would be deemed as cost at the time of sale of such asset.

Provisions w.r.t. Receipt of Cash in excess of INR 2,00,000/-

Section 269ST as introduced in the Finance Act, 2017 has made restrictions on the receipt of cash of INR 2,00,000/- in following situations:-

- a) Aggregate receipt of INR 2 Lakhs or more from a person in a day
- b) Aggregate receipt of INR 2 Lakhs or more in respect of a single transaction
- c) Receipt of INR 2 Lakhs or more in relation to one event or occasion from a person

On violation of this section, a penalty equal to the amount received would be imposed on recipient (not payer).

In view of the newly introduced provisions relating to cash sales, the existing provisions (in vogue since 1.6.2016) relating to collection of TCS @ 1% on cash sales exceeding INR 2 lakhs (INR 5 lakhs, in the case of jewellery) are deleted. Consequently, there is no need to collect TCS on cash sales exceeding INR 2 lakhs in cash.

Further, to the above mentioned the Finance Act, 2017 has also introduced the reporting requirement on receipt cash payment exceeding Rupees Two Lakh for sale of goods or services 'per transaction' during 01/04/2016 to 31/03/2017. All assesseees who are liable for tax audit u/s 44AB and are in receipt of cash exceeding INR 2,00,000/- have to report such transaction in separate return form 61A for which due date is 31/05/2017. The delay would invite the penalty of INR 100/- per day of delay.

Reporting of Cash deposited during 09/11/2016 to 30/12/2016:

- a) Income Tax Return of every assessee for FY 2016-17 requires the reporting of Cash deposited during 09.11.2016 to 30.12.2016 (if aggregate cash deposits during the period is INR 2 Lacs or more)
- b) Balance Sheet of every company assessee for the FY 2016-17 requires reporting of cash details in the Balance Sheet as per the format disclosed in the Finance Act, 2017.

Maintenance of Books of Account and Audit Requirement

The Finance Act, 2017 has provided that With effect from 01/04/2017, if the assessee is Individual or HUF, then these limits would be INR 1,50,000/- and INR 25,00,000/- respectively and the limits for other assesseees would remain same i.e. INR 1,20,000/- and INR 10,00,000/-.



FINANCE ACT 2017 – AN OVERVIEW

For the AY 2017-18, assesseees who are opting for 'Presumptive Taxation Scheme' are not liable for audit u/s 44AD, if their turnover is not in excess of INR 2 Crore or professional receipts are not in excess of INR 50 Lacs. Company /LLP are liable for audit if their turnover exceeds INR 1 Crore.

Taxability of Dividends

Presently income by way of dividend in excess of INR 10 Lacs is taxable @ 10% in the case of resident Individual, HUF and Firm. With effect from 01/04/2017, such dividend would be taxable in all cases except Domestic Company, trust registered u/s 12A & Institutions eligible u/s 10(23).

Extension provided for MAT Credit

Under the Finance Act, 2017 it has now been provided that the MAT Credit can be carried forward upto 15 years (Presently 10 Years) from the year in which such credit becomes available for adjustment.

Non-Disclosure of Reasons to Believe to Conduct Search

Presently, the reasons to believe or reasons to suspect for conducting the 'Search' can be disclosed at the stage of commencement of assessment proceedings. A retrospective amendment has been made (with effect from 01/04/1961), section 132 /132A have been amended to provide that such reasons would not be disclosed to any person / tribunal.

Time Limit for Filing and Revising Return of Income

The Finance Act, 2017 had reduced the time limit of filing late returns (belated returns) by one year. With effect from the assessment year 2018-19, the time limit for revision of return has been reduced to the end of assessment year itself.

Aadhar made Mandatory For Return Filing wef 01/07/2017

Every person who is eligible to obtain AADHAR number, should quote such number, on or after 1 July 2017, in the Return of income. Furthermore, every person who has been allotted PAN as on 1st July 2017 must intimate the AADHAR number to the Tax Authority, failing which, PAN allotted to such person shall be deemed to be invalid. Kindly note that linking of AADHAR with PAN is not possible, unless name as per AADHAR and PAN match perfectly. Hence, please take steps to rectify your name as per AADHAR to match as per PAN.



FINANCE ACT 2017 – AN OVERVIEW

- a) Upto Due date: NIL
 - b) Between 1st August/ 1st October upto 31st December INR 5000/-
 - c) Between 1st January to 31st March INR 10000/-
 - d) After 31st March Return filing is not possible
- Further such fees would have to be deposited alongwith tax on the income.

Reopening of Assessments / ITRs For Last 10 Years In Case of Search

Presently the notice can be issued for assessing income of last six assessment years preceding the year in which search is conducted. Now this power has been extended to cover 10 Years (6 Years + 4 Years) if the Assessing Officer has documents in possession which indicates that undisclosed income during these 4 years is not less than INR 50 Lacs. Therefore, every assessee should now keep the records/accounts for 10 years or more.

Income Computation & Disclosure Standards (ICDS) Applicable For FY 2016-17 Onwards

CBDT has notified the ICDS which are applicable on Companies, Firms, Individual/HUF(If they are audit cases u/s 44AB). Some of the main provisions affecting the tax computation are as under:

- a) Inventories as at 31/03/2017 are to be valued at cost or net realizable value, whichever is Cost shall comprise goods cost, conversion cost and all other costs incurred to bring them in present condition and location. Only FIFO or Weighted Average cost formula would be used.
- b) Export Sale /Import Purchases would be recorded in the books of account by converting currency rate prevailing on the date of transaction. Exchange difference on settlement of transaction or on conversion thereof on last day of the previous year shall be recognized as expenses or income.
- c) Government Grant relating to asset would be reduced from such asset and depreciation would be provided on such reduced cost.
- d) Interest and other borrowing cost directly linked to fixed assets would be capitalized. Interest incurred for manufacturing goods/items which require more than 12 months would also be capitalized.

If the general funds of the assessee are used for construction of fixed asset, then proportionate amount of interest (as per the formula prescribed) would be capitalized by comparing the opening and closing balance of fixed assets.



Insolvency and Bankruptcy Code 2016 – Role of Professionals under the Code

The Bankruptcy Code (“Code”) has refurbished the bankruptcy and insolvency laws in India. The code was introduced with the primary objective of increasing lender’s confidence and facilitating expansion of the credit market in India. The main objective of the new law is to promote entrepreneurship, availability of credit and balance the interests of all stakeholders by consolidating and amending the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner and for maximization of value of assets of such persons, partnership firms and individuals in time bound manner and for maximization of value of assets of such persons and matters connected therewith or incidental thereto.

***“The Insolvency and Bankruptcy Code 2016 seeks to address the issues faced currently in the context of insolvency and winding up. The code simply aims to revamp the prevailing bankruptcy laws and replace them with more simpler and time bound closure of business.*”**

This area of law has given an opportunity to the professionals like CA/CS/LLB/CWA to act as Insolvency Professionals / Insolvency Professional Agencies.”



The Bankruptcy code is a unified and comprehensive piece of legislation for the resolution of insolvency in respect of Companies, limited liability partnerships, partnership firms and individuals. The code creates a new institutional framework which consists of adjudicatory bodies, a regulator, Insolvency professionals and information utilities. Most importantly it offers an exit plan to all categories of persons – Corporates, Stakeholders, Individuals and Partnership firms, apart from over hauling century old legal framework.

The code offers a market determined, time bound mechanism for orderly resolution of insolvency, wherever possible, and orderly exit, wherever required. It envisages an ecosystem comprising National Company Law Appellate Tribunal (NCLAT), National Company Law Tribunal (NCLT), Debt Recovery Appellate Tribunal (DRAT), Debt Recovery Tribunal (DRT), Insolvency and Bankruptcy Board of India (Board), Information Utilities (IUs), Insolvency Professionals (IPs), Insolvency Professional Agencies (IPAs) and Insolvency Professional Entities (IPEs) for implementation of the code relating to corporate insolvency resolution and liquidation.



Insolvency and Bankruptcy Code 2016 – Role of Professionals under the Code

Background

The entire insolvency and bankruptcy process under the code is managed by regulated and licensed professionals, namely the Insolvency Professional (IP), duly appointed by adjudicator. Insolvency Professional is appointed to conduct insolvency resolution process in accordance with the procedure laid down in the code. He is professional endowed with specialized knowledge, training and recognized by Insolvency Professional Agency and Insolvency and Bankruptcy Board of India for undertaking insolvency proceedings. The IPs are registered and regulated by the Board. They play a critical role in transactions under the code.

In administering the resolution outcomes, the role of the IP encompasses a wide range of functions, which includes adhering to the procedures of law as well as accounting and finance related functions. Insolvency process under the Code starts with a Financial Creditor, operational creditor or corporate applicant as the case may be who makes an application to the Adjudicating Authority (AA) about the debt default by the Corporate together with the name of IP who has consented to act

as an interim IP. If no reference is made to the Board about the name of IP, AA makes reference to the Board. A financial creditor is a person to whom a financial debt is owed including any assignee thereof arising out of financial debt together with interest which is disbursed against consideration for the value of money borrowed etc. Operational debtor refers to an operational debt in respect of provision of goods and services including employment, repayment of dues to the Govt. authorities or any local authority. In performing these tasks, an IP acts as an agent of the adjudicator depends on the specialized skills and expertise of the IP to carry out these tasks in an efficient and professional manner.

The role of IPs is thus vital to the efficient operation of the Insolvency Professional Resolution. A well-functioning system of resolution driven by IPs enable the adjudicator to delegate more and more powers and duties to the professionals. This creates a positive externality of better utilization of judicial time.

Registration of Insolvency Professionals

Regulation 13 of IBBI (Model Bye-law & Governing Board etc.) Regulations, 2016 provides that no person is allowed to render service as an IP except as a member of the Insolvency Professional Agency. Such member is also required to register with the Board. The three professional bodies-The Institute of Company Secretaries of India(ICSI), Institute of Chartered Accountants of India (ICAI) and Institute of Cost and Management Accountants of India (ICMAI) have formed their 100% subsidiary companies as Insolvency Professional Agencies registered with Insolvency and Bankruptcy Board of India to enroll and regulate the members practising as Insolvency Professionals (IPs) in accordance with the provisions of Insolvency and Bankruptcy Code, 2016 read with rules and regulations made thereunder.

Such members are also required to register with IBBI as per the procedure laid down under Regulation 3 of IBBI (Insolvency Professionals) Regulations, 2016. The regulations provides that an individual is not eligible for registration unless:

- Has passed National Insolvency Examination;
- Has passed the Limited Insolvency Examination and has 15 years of experience in management after receiving Bachelor's degree from recognised university;
- Has passed the Limited Insolvency Examination and has 10 years of experience as practicing CA/CS/CWA/advocate enrolled with Bar Council.



Insolvency and Bankruptcy Code 2016 – Role of Professionals under the Code

Duties and functions of Insolvency Professionals

The period of Insolvency process under the code is 180 days from the date of application by the applicant with one-time extension of 90 days. The duties of an IP are quite onerous having regard to role and responsibility cast on the IP. The duties of IP are:

- To make a public announcement of insolvency process in English language newspaper and regional language newspaper circulating at the location of corporate registered office and the principal office etc.
- To manage the affairs of the debtor as a going concern;
- To collect information relating to the assets, finances and operations of corporate debtor for determining the financial position;
- To collect all claims received from creditors;
- To constitute a committee of creditors (COC) etc.

The code also specifies functions and obligations to be observed by the Insolvency Professionals. Where any insolvency resolution, fresh start, liquidation or bankruptcy process has been initiated, it shall be the function of Insolvency Professionals to take such actions as may be necessary in the manner provided in the Code.

Recognition of Insolvency Professional Entities

A Limited Liability Partnership, a registered Partnership Firm or a company may be recognised as an Insolvency Professional entity when majority of partners of LLP or firm are registered as Insolvency Professionals or a majority of the whole time directors of the company are registered as Insolvency Professionals. Recently, on 6th March, 2017, the Insolvency and Bankruptcy Board vide a press release, has recognized two entities- IRR Insolvency Professionals Pvt. Ltd. and AAA Insolvency Professionals LLP as Insolvency Professional Entities (IPE). An IPE is jointly and severally liable for all acts or omissions of its partners or directors as IPs committed during such partnership or directorship.

Conclusion

The Government has provided in the code a mechanism for resolving Insolvency and Bankruptcy through Insolvency Professionals subject to the supervision and control of the Adjudicating Authority. Insolvency Bankruptcy Board of India and Insolvency Professional Agency will regulate the activities of Resolution Professional. Now only the Registered IPs can act as Resolution Professional or Trustee and Liquidators under the Companies Act, as well as under the Code. For the purpose of the quality of the services required to carry on the business of debtors on going concern basis and to maximize the value of the debtors, the entry norms for the IPs are strict, requiring professional standing for not less than 10 years for CA/CS/CWA and Advocates subject to passing of the examination. Thus, The IP occupies a pivotal position and acts as an intermediary between the debtor/creditors on the one hand and the Adjudicating Authority on the other hand and functions under the watchful eyes of the Agency and the Board.



LEGAL UPDATES



RBI UPDATES

1. Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Second Amendment) Regulations, 2017

Reserve Bank of India (RBI) vide Notification No. FEMA.385/2017-RB dated 3rd March, 2017 has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Second Amendment) Regulations, 2017 which shall come into force from the date of their publication in the Official Gazette. The amendment has been made in Regulation 5, for the existing sub-regulation (9), which deals with the terms and conditions w.r.t investment capital contribution or by way of acquisition / transfer of profit shares in the capital structure of an LLP by a person resident outside India.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=10876&Mode=0>

2. RBI Instruction on Reporting Banks on Gold Monetisation Scheme transactions

Reserve Bank of India (RBI) vide Notification No. RBI/2016-17/243 GBA.GAD.No.2294/15.04.001/2016-17 dated 6th March, 2017 RBI has issued instructions on reporting banks on Gold

Monetisation scheme transactions. In order to have uniformity in reporting, reconciliation and accounting, agency banks may report the Gold Monetisation Scheme transactions i.e., receipt, payment, penalty, interest, commission for mobilisation, handing charges, etc., directly through the government account maintained for the purpose at Central Accounts Section, Reserve Bank of India, Nagpur, on a daily basis as in the case of the transactions of Public Provident Fund (PPF) Scheme, 1968.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=10877&Mode=0>

3. Disbursal of loan amount in cash

Reserve Bank of India (RBI) vide Notification No. RBI/2016-17/245 DNBR (PD) CC.No.086/03.10.001/2016-17 dated 9th March, 2017 has reviewed in line with the rules issued under Section 269SS and 269T of the Income Tax Act, 1961, the requirements under the Income Tax Act, 1961, as amended from time to time, would be applicable to all NBFCs with immediate effect. Currently, the relevant threshold under the Income Tax Act, 1961 is Rupees Twenty thousand.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=10880&Mode=0>

4. Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Fourth Amendment) Regulations, 2017

Reserve Bank of India (RBI) vide Notification No. Notification No. FEMA.387/2017-RB dated 9th March, 2017 has issued the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Fourth Amendment) Regulations, 2017. With the amendment 100% Foreign Direct Investment (FDI) has been allowed in e-commerce websites via automatic route. FDI is not permitted in inventory based model of e-commerce. Sale of services through e-commerce shall be under automatic route subject to the sector specific conditions, applicable laws/regulations, security and other conditionalities.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=10884&Mode=0>



RBI UPDATES

5. Reporting and Accounting of Central Government Transactions of March 2017

Reserve Bank of India (RBI) vide Notification No. RBI/2016-17/249 DGBA.GAD.No. 2376/42.01.029/2016-17 dated 16th March, 2017, the Government of India has decided that the date of closure of residual transactions for the month of March 2017 be fixed as April 10, 2017 for the Financial Year 2016-17. In view of the ensuing closing of government accounts for the financial year 2016-17, receiving branches including those not situated locally, should adopt special arrangements such as courier service etc., for passing on challans/scrolls etc., to the Nodal/Focal Point branches so that all payments and collections made on behalf of government towards the end of March are accounted for in the same financial year. These instructions regarding special messenger arrangements may please be informed to all branches concerned.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=10885&Mode=0>

6. Annual Closing of Government Accounts – Transactions of Central / State Governments – Special Measures for the Current Financial Year (2016-17)

Reserve Bank of India (RBI) vide Notification No. RBI/2016-17/250 DGBA.GAD.No. 2377/42.01.029/2016-17 dated 16th March, 2017, The Government of India has desired that all government transactions with banks must be accounted for within the same financial year and has requested that certain special arrangements be made for the purpose, as in previous years. Accordingly, all agency banks should keep the counters of their designated branches conducting government business open for government transactions up to 6.00 p.m. on March 30, 2017 and up to 8.00 p.m. on March 31, 2017. All electronic transactions would, however, continue till midnight on March 31, 2017. Banks may give adequate publicity to the special arrangements made.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=10886&Mode=0>

7. Pradhan Mantri Garib Kalyan Deposit Scheme (PMGKDS), 2016 – Clarification

Reserve Bank of India (RBI) vide Notification No. RBI/2016-17/251 IDMD.CDD.No. 2347/14.04.051/2016-17 dated 16th March, 2017 has issued clarification with regard to Pradhan Mantri Garib Kalyan Deposit Scheme (PMGKDS), 2016. Currently, banks are issuing an acknowledgement for having received the amounts under PMGKDS. The details of the deposit are then entered in the Bank's e-kuber application which generates a "Subscription Receipt". The "Subscription Receipt" which is a system generated receipt, has an "Issue Reference No". This reference number will need to be quoted by the investor in the Form V of Income Tax Authorities, prior to uploading the same.

In order to bring in greater clarity, the nomenclature of "Issue Reference No" generated by e-kuber is being renamed as "Deposit Reference No". Necessary changes have been made in RBI's e-Kuber application to reflect this change.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=10887&Mode=0>

8. Master Directions on Issuance and Operation of Prepaid Payment Instruments in India

Reserve Bank of India (RBI) vide Notification No. RBI/DPSS/2016-17/53 DPSS.CO.PD. No. /02.14.006/2016-17 dated 20th March, 2017 has issued Master Directions on Issuance and Operation of Prepaid Payment Instruments in India. The Master Directions have been prepared by incorporating all the instructions/guidelines issued on Issuance and Operation of Prepaid Payment Instruments in India up to February 28, 2017 along with certain revisions and additions to the extant instructions.

The provisions of the Master Directions shall apply to all Prepaid Payment Instrument Issuers, System



RBI UPDATES

Providers, System Participants and all prospective Prepaid Payment Instrument Issuers.

9. Risk Management and Inter-bank Dealings: Operational flexibility for Indian subsidiaries of Non-resident Companies

Reserve Bank of India (RBI) vide Circular No. 41 dated 21st March, 2017 has amended the extant hedging guidelines with a view to provide operational flexibility to multinational entities and their Indian subsidiaries exposed to currency risk arising out of current account transactions emanating in India. Necessary amendments to Foreign Exchange Management (Foreign Exchange Derivatives Contracts) Regulations, 2000 have been notified in the Official Gazette which shall come into force from the date of their publication in the Official Gazette. Further, a non-resident may enter into a foreign exchange derivative contract with an Authorised Dealer bank in India to hedge an exposure to exchange risk of and on behalf of its Indian subsidiary in respect of the said subsidiary's transactions subject to such terms and conditions as may be stipulated by the Reserve Bank from time to time.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10891&Mode=0>

10. Payment systems to remain open on all days from March 25, 2017 to April 1, 2017

Reserve Bank of India (RBI) vide Notification No. RBI/2016-17/257 DPSS.CO.CHD.No./2695/03.01.03/2016-17 dated 25th March, 2017, it has been decided that all payment systems, including RTGS and NEFT would operate, as on a normal working day, during the period March 25 to April 1, 2017 (including Saturday, Sunday and all holidays). Besides, the extended timings on March 30 & 31, 2017 for the centralised payment systems viz., RTGS & NEFT.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10894&Mode=0>

11. Purchase of foreign exchange from foreign citizens and others

Reserve Bank of India (RBI) vide Circular No. 42 dated 30th March, 2017 in line with restoration of limits on cash withdrawals from bank accounts and ATMs, it has been decided to restore status quo ante regarding purchase of foreign exchange from customers by authorised persons as mentioned in paragraph 4.4 (e) (iii) of Annex to A.P. (DIR Series) Circular No.17 dated November 27, 2009 i.e. - iii) (a) *Requests for payment in cash in Indian Rupees to resident customers towards purchase of foreign currency notes and/ or Travellers' Cheques from them may be acceded to the extent of only US \$ 1000 or its equivalent per transaction.*

(b) Requests for payment in cash by foreign visitors / Non-Resident Indians may be acceded to the extent of only US \$ 3000 or its equivalent.

(c) All purchases within one month may be treated as single transaction for the above purpose and also for reporting purposes.

(d) In all other cases, APs should make payment by way of 'Account Payee' cheque / demand draft only.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10900&Mode=0>



MCA UPDATES

1. MCA notifies the Companies (Transfer of Pending Proceedings) Amendment Rules, 2017

MCA has notified the Companies (Transfer of Pending Proceedings) Amendment Rules, 2017 which shall come into force from the date of publication in the Official Gazette. The Petitions relating to winding up due to inability to pay debts, pending before a High Court, which have not been served to the concerned respondent, shall be transferred to the Benches of the NCLT in accordance with their territorial jurisdiction. However, the concerned petitioner shall be required to submit the requisite information, including details of the proposed insolvency professional, now within 6 months (instead of 60 days) of the Notification, failing which, the petition would abate. Further, according to the Rules, no fees shall be payable for proceedings transferred.

2. MCA notifies the amended the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017

The Ministry of Corporate Affairs has notified the amended Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 which shall come into force from the 28th February, 2017. Through this amendment a detailed procedure has been prescribed for transfer of shares to the Authority and for the purposes of effecting transfer of such shares, the Board shall authorise the Company Secretary or any other person to sign the necessary documents. Further, the process for Refund to claimants from Fund has been revised.

http://www.mca.gov.in/Ministry/pdf/IEPF_Refund_Amendment_Rules_03032017.pdf

3. MCA Revises E-Forms

MCA has revised the versions of eForm - Form AOC-4 CFS (Form for filing consolidated financial statements and other documents with the Registrar), Form GNL-1 (Applications made to Registrar of Companies), and Form GNL-3 (Details of persons/directors/charged/specified), are likely to be revised on MCA portal with effect from 8th March 2017. Stakeholders will be allowed to download new version of the forms with effect from 8th March 2017. All the stake holders are advised to check the latest version of the form before filing.

4. MCA notifies revised E-Forms

MCA has notified the revised e-Forms relating to creation and satisfaction of Charge - Form CHG-1 (Application for registration of creation, modification of charge other than those related to debentures), Form CHG-4 (Particulars for satisfaction of charge) and Form CHG-9 (Application for registration of creation or modification of charge for debentures or rectification of particulars filed in respect of creation or modification of charge for debentures) are likely to be revised on MCA21 Company Forms Download page shortly. Stakeholders are advised to check the latest version before filing. The said Forms are available on MCA's website under Forms & Downloads section.

5. MCA - LLP

Ministry of Corporate Affairs has advised the stakeholders to ensure that Form 3 (Information with regard to Limited Liability Partnership agreement and changes, if any) has to be mandatorily filed for initial agreement before filing of Form 8 (Statement of Account & Solvency) and Form 11 (Annual Return of Limited Liability Partnership (LLP)).



MCA UPDATES

6. MCA Revises E-Forms

MCA has revised the versions of eForm – Form 20B (Filing annual return by a company having a share capital with the Registrar.), Form PAS-3 (Form for Return on Allotment) and Form 23ACA (Form for filing of Profit and Loss account and other documents with the Registrar) are likely to be revised on MCA21 portal. The revised forms will be available on the portal on the portal of MCA w.e.f 29th Mar 2017. All the stakeholders are advised to check the latest version of the form before filing.

7. MCA Notifies Companies (Indian Accounting Standards) (Amendment) Rules, 2017

MCA has notified the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 which shall come into force on the 1st day of April, 2017. The amendment are focusing majorly on the treatment of Share-based Payment, Treatment of vesting and non-vesting conditions, Share-based payment transactions with a net settlement feature for withholding tax obligations, Transitional provisions and Accounting for a modification of a share-based payment transaction that changes its classification from cash-settled to equity-settled.

http://www.mca.gov.in/Ministry/pdf/CompaniesIndia_nAccountingStandards_21032017.pdf

8. Companies (Meetings of Board and its Powers) Amendment Rules, 2017

Ministry of Corporate Affairs (MCA) vide Notification dated 30th March, 2017 has made amendment to Companies (Meetings of Board and its Powers) Rules, 2014. The amendment has been made with regard to revised requirement for special resolution for related party transactions.

In the Companies (Meetings of Board and its Powers) Rules, 2014, in rule 15 Contract or Arrangement With a Related Party, in sub-rule (3), in clause (a)—

(a) in item (i), item (ii), item (iii) and item (iv), for the words “exceeding ten per cent.” wherever they occur, the words “amounting to ten per cent. or more” shall be substituted; and

(b) in item (iii), for the words “ten per cent. of turnover” the words “ten per cent. or more of turnover” shall be substituted.

<http://egazette.nic.in/WriteReadData/2017/175078.pdf>

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9. Companies (Audit and Auditors) Amendment Rules, 2017 – Audit Report to disclose dealings in Specified Bank Notes during Demonetization

Ministry of Corporate Affairs (MCA) vide Notification dated 30th March, 2017 has made amendment to Companies (Audit and Auditors) Rules, 2014. It had now been amended that Auditors Report to disclose dealings in Specified Bank Notes during demonetization.

In the Companies (Audit and Auditors) Rules, 2014, in rule 11, after clause (c), the following clause shall be inserted, namely:—

“(d) whether the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and if so, whether these are in accordance with the books of accounts maintained by the company.”

<http://egazette.nic.in/WriteReadData/2017/175074.pdf>

f

10. Companies to disclose details of Specified Bank Notes in Balance Sheet & Audit Report

Ministry of Corporate Affairs (MCA) vide Notification dated 30th March, 2017 has made amendments to Schedule III of the Companies Act, 2013, wherein it has now been decided that every company shall disclose the details of



MCA UPDATES

Specified Bank notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 in the format as prescribed.

<http://egazette.nic.in/WriteReadData/2017/175073.pdf>

11. Ministry of Corporate Affairs issues fresh notifications wherein, the Central Government intends to provide clarity on the applicability of the threshold exemption limits to all forms of combinations; Clarity on the methodology to be adopted for calculating the relevant assets and turnover of the target when only a portion or segment or business of one enterprise is being combined with another

Ministry of Corporate Affairs (MCA) vide Press Release dated 30th March, 2017 has announced that it has issued fresh notifications No. S.O. 988 (E) and No. S.O. 989(E) dated 27.03.2017 wherein, the Central Government intends to provide

(i) Clarity on the applicability of the threshold exemption limits to all forms of combinations as referred under Section 5 of the Act.

(ii) Clarity on the methodology to be adopted for calculating the relevant assets and turnover of the target when only a portion or segment or business of one enterprise is being combined with another.

With the issue of these notifications, combinations falling within the threshold limits would not require to be filed before the Competition Commission of India. The reform is in pursuance of the Government's objective of promoting Ease of Doing Business in the country and is expected to make India a more attractive destination for Foreign Direct Investment. The notification is expected to enable greater freedom to industry in taking legitimate business decisions towards further accelerating India's economic growth.

12. Insolvency and Bankruptcy Board of India notifies Information Utilities Regulations

Ministry of Corporate Affairs (MCA) vide Press Release dated 31st March, 2017 has announced the notifying the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017. The Regulations provide for a framework for registration and regulation of information utilities.

An Information Utility (IU) stores financial information that helps to establish defaults as well as verify claims expeditiously and thereby facilitate completion of transactions under the Code in a time bound manner. It constitutes a key pillar of the insolvency and bankruptcy ecosystem, the other three being the Adjudicating Authority (National Company Law Tribunal and Debt Recovery Tribunal), the IBBI and Insolvency Professionals.

The Regulations lay down the eligibility criteria for registration of an IU. A public company with a minimum net worth of INR 50 crore is eligible. More than half of the directors of its Governing Board shall be independent directors. The IU, its promoters, its directors, its key managerial personnel, and persons holding more than 5% of its paid-up equity share capital or its total voting power, shall be fit and proper persons. Ordinarily a person should not hold more than 10% of paid up equity share capital, while certain specified persons may hold up to 25% of paid up equity share capital. However, to start with a person may hold up to 51% of paid-up equity share capital of an IU, but it has to reduce to 10% or 25%, as the case may be, before expiry of three years from registration.

The Regulations enable the IBBI to lay down Technical Standards, through guidelines, for the performance of core services and other services by IUs. The Technical Standards shall inter-alia provide for matters relating to authentication and verification of information to be stored with the IU, registration of users, data integrity and security, porting of information, inter-operability among information utilities etc. The Regulations require that each registered user and each information submitted to the IU shall have a unique identifier.



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The Regulations set out the duties to be performed and services to be delivered by an IU. In order to safeguard the interests of the user, the regulations require an IU to have a grievance redressal policy as well as an exit management plan. An IU shall also have a compliance officer who shall ensure compliance with the provisions of the Code and shall, immediately and independently, report to the IBBI any non-compliance of any provision of the Code observed by him. The Regulations will be effective from 1st April, 2017. These are available at www.mca.gov.in and www.ibbi.gov.in

13. Insolvency and Bankruptcy Board of India notifies Corporate Voluntary Liquidation Process Regulations - The regulations shall come into effect from 1st April, 2017

Ministry of Corporate Affairs (MCA) vide Press Release dated 31st March, 2017 has announced the notifying of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2016. The regulations provide the process from initiation of voluntary liquidation of a corporate person - companies, limited liability partnerships and any other persons incorporated with limited liability - till its dissolution.

A corporate person may initiate a voluntary liquidation proceeding if majority of the directors or designated partners of the corporate person make a declaration to the effect that (i) the corporate person has no debt or it will be able to pay its debts in full from the proceeds of the assets to be sold under the proposed liquidation, and (ii) the corporate person is not being liquidated to defraud any person. If the liquidator is of the opinion that the liquidation is being done to defraud a person or the corporate person will not be able to pay its debts in full from the proceeds of assets to be sold in the liquidation, he shall make an application to the Adjudicating Authority to suspend the process of liquidation and pass any such orders as it deems fit.

The regulations prohibit an insolvency professional from acting as a liquidator for a corporate person if he is not independent of the corporate person. These prohibit

partners or directors of an insolvency professional entity of which the insolvency professional is a partner or director from representing other stakeholders in the same liquidation process. These oblige the liquidator, and professional(s) assisting him in liquidation to make disclosures - initial and continuing - about pecuniary or personal relationship with any of the stakeholders or the corporate person.

The regulations specify the manner and content of public announcement, receipt and verification of claims of stakeholders, reports and registers to be maintained, preserved and submitted by the liquidator, realisation of assets and distribution of proceeds to stakeholders, distribution of residual assets, and finally dissolution of corporate person. These oblige a liquidator to preserve a physical or an electronic copy of the reports, registers and books of account for at least eight years after the dissolution of the corporate person, either with himself or with an information utility.

The regulations shall come into effect from 1st April, 2017. These are available at www.mca.gov.in and www.ibbi.gov.in

14. MCA Issues Exemption Notification enterprises from Section 5 of the Competition Act

MCA has issued exemption notification to exempt certain enterprises from Section 5 of the Competition Act, for a period of five years from the date of publication of this notification in the official gazette i.e 27-03-2017. The Central Government exempts the enterprises being parties to any acquisition referred to in clause (a) of section 5 of the Competition Act or acquiring of control by a person over an enterprise when such person has already direct or indirect control over another enterprise engaged in production, distribution or trading of a similar or identical or substitutable goods or provision of a similar or identical or substitutable service, referred to in clause (b) of section 5 of the Competition Act;



MCA UPDATES

and any merger or amalgamation, referred to in clause (c) of section 5 of the Competition Act where the value of assets being acquired, taken control of, merged or amalgamated is not more than rupees three hundred and fifty crores in India or turnover of not more than rupees one thousand crores in India, from the provisions of section 5 of the Act.

http://www.mca.gov.in/Ministry/pdf/Notification_30032017.pdf



SEBI UPDATES

1. SEBI notifies the Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017

SEBI has notified the Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017 which shall come into force on the date of their publication in the Official Gazette. An attempt has been made to introduce online payment modes i.e NEFT/RTGS/IMPS or any other mode as may be allowed by RBI. Further, revised schedule of fees for various segment is also substituted.

2. BSE - Listing Fees

The Bombay Stock Exchange (BSE) has revised its Annual Listing Fees to be paid by the listed entities for listing of its securities on the Exchange. The new Annual Listing Fees shall be effective from April 1, 2017. The capital to be considered for the revised schedule of fee shall includes Equity Shares, Preference Shares, Indian Depository Receipts, Fully Convertible Debentures, Partly Convertible Debentures and any other security convertible into equity shares. Further, in case of Debenture Capital (not convertible into equity shares) listed prior to April 1, 2017, the fees applicable will be 75% of the revised fees.

<http://www.bseindia.com/corporates/Displaydata.aspx?Id=290b4fbe-e8c9-4480-aa33-125f6c2725b8&Page=cir>

3. Redressal of complaints against Stock Brokers and Depository Participants through SEBI Complaints Redress System (SCORES)

Securities Exchange Board of India (SEBI) vide Circular No. SEBI/HO/MIRSD/MIRSD6/CIR/P/2017/20 dated 10th March, 2017 it has now been directed by SEBI to all stock brokers and depository participants are directed to address / redress the complaint within 15 days from the receipt of the complaint.

In case additional information is required from the

complainant, the same shall be sought within 7 days from the receipt of the complaint. In such cases, the period of 15 days shall run from the receipt of additional information.

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1489143609606.pdf

4. Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 - Requirements before the Scheme of arrangement is submitted for sanction by the National Company Law Tribunal (NCLT)

Securities Exchange Board of India (SEBI) vide Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, it has been decided to revise the regulatory framework for such schemes of arrangement. Certain regulations as mentioned in this circular have been amended. The circular provides for requirements for submission of scheme of M&A for sanction by NCLT.

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1489148947403.pdf

5. Revision of Format for letter of offer under SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 ('SAST Regulations')

Securities Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/DCR1/CIR/P/2017/22 dated 15th March, 2017 has revised the format for letter of offer under SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 (SAST Regulations). It has been decided, in consultation with market participants, to revise the time period for which information is required to be filed with SEBI, in line with the provisions relating to maintenance of records under the Companies Act, 2013. The format and instructions prescribed vide aforementioned Circular shall stand modified.

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1489580439937.pdf



SEBI UPDATES

6. Review of advertisement guidelines for Mutual Funds

Securities Exchange Board of India (SEBI) vide Circular No. CIR/IMD/DF/23/2017 dated 15th March, 2017 has revised the advertisement guidelines for Mutual Funds. With an objective to disclose Mutual Fund scheme's performance related information in a more effective and simple manner in advertisements, it has been decided that: Performance of Mutual Fund schemes shall be required to be advertised in terms of CAGR for the past 1 year, 3 years, 5 years and since inception; in place of current requirement to publish scheme's returns for as many twelve month periods as possible for the past 3 years. Performance advertisement of Mutual Fund schemes should provide information based on period computed from last day of month-end preceding the date of advertisement.

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1489580582241.pdf

7. Disclosures relating to regulatory orders and arbitration matters on websites of Clearing Corporations

Securities Exchange Board of India (SEBI) vide Circular No. SEBI/HO/MRD/DRMNP/CIR/P/2017/24 dated 16th March, 2017, it has been decided that all regulatory orders i.e. orders against clearing members and arbitration / appellate awards by arbitrators need to be made available to investors. Accordingly, it has been decided that the Clearing Corporations shall post all regulatory orders and arbitration / appellate awards issued since June 20, 2012, on their websites within 30 days. Further, all regulatory orders and arbitration / appellate awards as and when issued by Clearing Corporations from the date of this circular shall be posted on their website immediately.

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1489674038792.pdf

8. Submission of accounts for debt securities issued under the SEBI (Issue and Listing of Debt

Securities by Municipalities) Regulations, 2015

Securities Exchange Board of India (SEBI) vide Circular No. CIR/IMD/DF-1/ 25 /2017 dated 22nd March, 2017, in order to provide an impetus to the municipal bond market in India, it has been decided to provide following dispensation to the municipalities with respect to submission of accounts for private placement issues of debt securities under the SEBI ILDM regulations:-
"Any issuer proposing to issue debt securities under these regulations, in the FY 2017-18, shall submit the following documents:

- a) Audited accounts for the financial years 2013-14, 2014-15 and 2015-16 in the information memorandum to the stock exchanges.
- b) For the immediately preceding FY i.e. FY 2016-17, the issuers shall submit the half yearly financial statements, as available (audited or unaudited) as on September 2016.

However, the audited accounts for the said FY i.e 2016-17 shall be submitted within one year from the end of that FY (i.e. by March 31, 2018) to the recognized stock exchanges, where the debt securities have been listed. Such audited accounts shall be displayed on the website of the recognized stock exchanges and the issuer. The issuers shall also be required to provide on request, a copy (physical or electronic) of such audited accounts to its investors."

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1490187298628.pdf

9. SEBI issues Circular clarifying the relevant date for the purpose of computing pricing w.r.t. Schemes of Arrangement by Listed Entities

Securities Exchange Board of India (SEBI) vide Circular No. CFD/DIL3/CIR/2017/26 dated 23rd March, 2017, has issued a Circular clarifying the relevant date for the purpose of computing



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pricing w.r.t Schemes of Arrangement by Listed Entities. As Para 8 of the recent circular issued by SEBI for relaxing the norms, provides that the pricing provisions of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be followed in case of issuance of shares to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes. It is now clarified that the 'relevant date' for the purpose of computing pricing shall be the date of Board meeting in which the scheme is approved.

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1490268460576.pdf

10. Exclusively listed companies of De-recognized/Non-operational/Exited Stock Exchanges placed on the Dissemination Board

Securities Exchange Board of India (SEBI) vide Circular No. SEBI/HO/MRD/DSA/CIR/P/2017/27 dated 27th March, 2017, has further extended the period by three months to the Exclusively Listed Companies (ELCs) on the Dissemination Board (DB) to submit an action plan to list or to provide exit to shareholders to the designated stock exchanges and thereby extended the time limit to submit plan of action till June 30, 2017. Earlier the time limit to submit plan of action was March 31, 2017. All other conditions as mentioned in the SEBI circular dated October 10, 2016 remain unchanged.

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1490619875822.pdf

11. Mandatory Filing of Financial Results In XBRL Mode

BSE has decided that with effect from April 01, 2017 onwards, all listed entities with BSE, would be required to make their filings in respect of Financial Results (Regulation 33 and Regulation 52) in XBRL mode within 24 hours of submission of results in PDF mode. This requirement however, would not apply to Insurance

Companies which can continue to make their filings for Financial Results in PDF mode only. Financial Results are required to be submitted along with the Limited Review Report / Audit Report first, in PDF mode through the Listing Centre website – Corporate Announcement Filing System (CAFS) within 30 minutes of the conclusion of the Board Meeting. This is required to be followed by filing of the result in XBRL mode within 24 hours from the conclusion of the Board Meeting.

<http://www.bseindia.com/corporates/Displaydata.aspx?id=8601a75a-9a67-4f22-b3e3-d5e45f559e04&Page=cir>



TAXATION UPDATES

1. Goods and Services Tax (GST) Council approves the Central Goods and Services Tax (CGST) Bill and the Integrated Goods and Services Tax (IGST) Bill.

Goods and Service Tax (GST) Council vide Press Release dated 4th March, 2017 has approved the draft CGST Bill and the draft IGST Bill as vetted by the Union Law Ministry.

Some of the main features of the two Bills, as finalized by the GST Council, are as follows:

- I. A State-wise single registration for a taxpayer for filing returns, paying taxes, and to fulfil other compliance requirements. Most of the compliance requirements would be fulfilled online, thus leaving very little room for physical interface between the taxpayer and the tax official.
- II. A taxpayer has to file one single return state-wise to report all his supplies, whether made within or outside the State or exported out of the country and pay the applicable taxes on them. Such taxes can be Central Goods and Services Tax (CGST), State Goods and Services Tax (SGST), Union Territory Goods and Services Tax (UTGST) and Integrated Goods and Services Tax (IGST).
- III. A business entity with an annual turnover of upto INR 20 lakhs would not be required to take registration in the GST regime, unless he voluntarily chooses to do so to be a part of the input tax credit (ITC) chain. The annual turnover threshold in the Special Category States (as enumerated in Article 279A of the Constitution such as Arunachal Pradesh, Sikkim, Uttarakhand, Himachal Pradesh, Assam and the other States of the North-East) for not taking registration is INR 10 lakhs.
- IV. A business entity with turnover upto INR 50 lakhs

can avail the benefit of a composition scheme under which it has to pay a much lower rate of tax and has to fulfil very minimal compliance requirements. The Composition Scheme is available for all traders, select manufacturing sectors and for restaurants in the services sector.

- V. In order to prevent cascading of taxes, ITC would be admissible on all goods and services used in the course or furtherance of business, except on a few items listed in the Law.
- VI. In order to ensure that ITC can be used seamlessly for payment of taxes under the Central and the State Law, it has been provided that the ITC entitlement arising out of taxes paid under the Central Law can be cross-utilised for payment of taxes under the laws of the States or Union Territories. For example, a taxpayer can use the ITC accruing to him due to payment of IGST to discharge his tax liability of CGST / SGST / UTGST. Conversely, a taxpayer can use the ITC accruing to him on account of payment of CGST / SGST / UTGST, for payment of IGST. Such payments are to be made in a pre-defined order.
- VII. In the Services sector, the existing mechanism of Input Service Distributor (ISD) under the Service Tax law has been retained to allow the flow of ITC in respect of input services within a legal entity.
- VIII. To prevent lock-in of capital of exporters, a provision has been made to refund, within seven days of filing the application for refund by an exporter, ninety percent of the claimed amount on a provisional basis.



TAXATION UPDATES

- IX. In order to ensure a single administrative interface for taxpayers, a provision has been made to authorise officers of the tax administrations of the Centre and the States to exercise the powers conferred under all Acts.
- X. An agriculturist, to the extent of supply of produce out of cultivation of land, would not be liable to take registration in the GST regime.
- XI. To provide certainty in tax matters, a provision has been made for an Advance Ruling Authority.
- XII. Exhaustive provisions for Appellate mechanism have been made.
- XIII. Detailed transitional provisions have been provided to ensure migration of existing taxpayers and seamless transfer of unutilised ITC in the GST regime.
- XIV. An anti-profiteering provision has been incorporated to ensure that the reduction of tax incidence is passed on to the consumers.
- XV. In order to mitigate any financial hardship being suffered by a taxpayer, Commissioner has been empowered to allow payment of taxes in instalments.

2. Roll out of GST-1st July 2017; Draft CGST Law and Draft IGST Law approved in the 11th Council Meeting held on 4 March 2017

Ministry of Finance vide Press Release dated 10th March, 2017 has announced that the Draft CGST Law and Draft IGST Law were approved in the 11th Council Meeting held on 4 March 2017 at New Delhi.

All the decisions taken by the GST Council so far have been based on consensus among the Centre and the States.

At the Central level, the following taxes are being subsumed in GST:

- Central Excise Duty,
- Additional Excise Duty,

- Service Tax,
 - Additional Customs Duty commonly known as Countervailing Duty, and
 - Special Additional Duty of Customs.
 - Cesses and surcharges (Except Clean Energy Cess)
- At the State level, the following taxes are being subsumed in GST:
- State Value Added Tax/Sales Tax,
 - Central Sales Tax (levied by the Centre and collected by the States),
 - Entertainment Tax (other than the tax levied by the local bodies),
 - Octroi and Entry tax,
 - Purchase Tax,
 - Luxury tax, and
 - Taxes on lottery, betting and gambling.
 - State cesses and surcharges in so far as they relate to supply of goods and services.

GST will simplify and harmonise the indirect tax regime in the country. It is expected to reduce cost of production, thereby making the Indian trade industry more competitive, domestically as well as internationally. It is also expected that introduction of GST will foster a common or seamless Indian market and contribute significantly to the growth of the economy. Further, GST will broaden the tax base, and result in better tax compliance due to robust IT infrastructure.

3. Submission of old currency notes of INR 500 and INR 1000; The grace period for Indian citizen residing in India is March 31, 2017 and for Indian citizen resident outside is June 30, 2017

Ministry of Finance vide Press Release dated 10th March, 2017 has announced that a grace period has been provided during which the Specified Bank Notes can be deposited in accordance with The Specified Bank Notes (Cessation of Liabilities) Ordinance 2016 by Indian citizens who make a declaration that they were outside India between November 9 and December 30, 2016, subject to conditions that may be specified by notification by the Central Government.



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The grace period for Indian citizen residing in India is March 31, 2017 and for Indian citizen resident outside is June 30, 2017 as per Government of India notification no. 10 dated December 30, 2016. While there is no monetary limit for exchange for the eligible Resident Indians, the limit for NRIs is as per the relevant FEMA Regulations.

The Reserve Bank, if satisfied after making the necessary verifications, that the reasons for failure to deposit the notes till December 30, 2016 are genuine, will credit the value of notes in the KYC (Know Your Customer) compliant bank account of the tenderer. This facility is available only at five selected RBI Offices (Mumbai, New Delhi, Chennai, Kolkata, and Nagpur).

4. Bank deposit interest rate

Ministry of Finance vide Press Release dated 10th March, 2017 has announced that Reserve Bank of India (RBI) has informed that the Scheduled Commercial Banks are free to determine their savings bank deposit interest rate, with the approval of their respective Board of Directors, subject to the following two conditions:-

Each bank will have to offer a uniform interest rate on savings banks deposits up to Rupees one lakh.

For any end-of-day savings bank balance exceeding Rupees one lakh, a bank may provide differential rates of interest, if it chooses, subject to the condition that banks will not discriminate in the matter of interest paid on such deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.

5. Cabinet approves four GST Bills

Ministry of Finance vide Press Release 20th March, 2017 has approved the following four GST related bills:

1. The Central Goods and Services Tax Bill 2017 (The CGST Bill)
2. The Integrated Goods and Services Tax Bill 2017 (The IGST Bill)
3. The Union Territory Goods and Services Tax Bill 2017 (The UTGST Bill)

4. The Goods and Services Tax (Compensation to the States) Bill 2017 (The Compensation Bill)

The CGST Bill makes provisions for levy and collection of tax on intra-state supply of goods or services for both by the Central Government. On the other hand, IGST Bill makes provisions for levy and collection of tax on inter-state supply of goods or services or both by the Central Government.

The UTGST Bill makes provisions for levy on collection of tax on intra-UT supply of goods and services in the Union Territories without legislature. Union Territory GST is akin to States Goods and Services Tax (SGST) which shall be levied and collected by the States/Union Territories on intra-state supply of goods or services or both.

The Compensation Bill provides for compensation to the states for loss of revenue arising on account of implementation of the goods and services tax for a period of five years as per section 18 of the Constitution (One Hundred and First Amendment) Act, 2016. GST Council has decided 1st July as the date of commencement of GST.

6. Filing of online return for 3rd Quarter of 2016-17 – extension of date to 31.03.2017

Government of NCT of Delhi, Department of Trade and Taxes vide Circular No. 28 dated 17th March, 2017 has extended the last date of filing of online/hardcopy of third quarter return for the year 2016-17 in Form DVAT – 16, DVAT – 17 and DVAT – 48 to 31.03.2017.

7. Clarification by Central Board of Direct Taxes on rollback provision in the revised India-Korea Double Taxation Avoidance Agreement

Ministry of Finance, Central Board of Direct Taxes (CBDT) vide Press Release dated 17th March, 2017 has clarified that under the revised India-Korea



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Double Taxation Avoidance Agreement (DTAA), applications for bilateral Advance Pricing Agreement (APA) involving international transactions with Associated Enterprises in Korea for the APA period beginning Fiscal Year 2017-18 can be filed along with request for rollback provision in prescribed form. Such requests for rollback provision shall be processed in accordance with the provisions of Income Tax Act i.e. section 92CC(9A) of the Income Tax Act 1961, and the applicable Income Tax rules in this regard. Inclusion of rollback provision in such bilateral APAs would also be subject to the applicable regulations in Korea. The CBDT has issued the present clarification in response to the queries received from taxpayers regarding availability of rollback provision in respect of bilateral APA applications for APA period beginning F.Y 2017-18.

8. Third Protocol Amending India-Singapore DTAA notified today; Comes into force with effect from 27th February 2017

Ministry of Finance vide Press Release dated 23rd March, 2017 has notified the Third Protocol amending India-Singapore Double Taxation Avoidance Agreement (DTAA) which shall come into force w.e.f. 27th February, 2017.

The India-Singapore DTAA at present provides for residence based taxation of Capital Gains of shares in a company. The Third Protocol amends the DTAA with effect from 01st April, 2017 to provide for source based taxation of capital gains arising on sale of shares in a company. This will curb revenue loss, prevent double non-taxation and streamline the flow of investments. In order to provide certainty to investors, investments in shares made before 01st April, 2017 have been grandfathered subject to fulfillment of conditions in Limitation of Benefits clause as per 2005 Protocol. Further, a two-year transition period from 1st April, 2017 to 31st March, 2019 has been provided during which capital gains on shares will be taxed in source country at half of normal tax rate, subject to fulfillment of conditions in Limitation of Benefits clause.

The Third Protocol also inserts Article 9(2) in the DTAA

which would facilitate relieving of economic double taxation in transfer pricing cases. This is a taxpayer friendly measure and is in line with India's commitments under Base Erosion and Profit Shifting (BEPS) Action Plan to meet the minimum standard of providing Mutual Agreement Procedure (MAP) access in transfer pricing cases. The Third Protocol also enables application of domestic law and measures concerning prevention of tax avoidance or tax evasion.

9. FM approves the re-organisation of the field formations of the Central Board of Excise & Customs (CBEC) for the implementation of Goods & Services Tax (GST); CBEC is being renamed as the Central Board of Indirect Taxes & Customs (CBIC), after getting legislative approval

Ministry of Finance vide Press Release dated 25th March, 2017 has announced the Reorganization of the field formations of the Central Board of Excise & Customs (CBEC) for the implementation of Goods & Services Tax (GST). The Central Board of Excise & Customs (CBEC) is being renamed as the Central Board of Indirect Taxes & Customs (CBIC), after getting legislative approval. The proposed CBIC shall, inter alia, supervise the work of all its field formations and Directorates and assist the Government in policy making in relation to GST, continuing Central Excise levy & Customs functions.

The CBIC will have 21 Zones, 101 GST Tax payer Services Commissionerates comprising 15 sub-Commissionerates, 768 Divisions, 3969 Ranges, 49 Audit Commissionerates and 50 Appeals Commissionerates. This will ensure rendering of taxpayer services to all the taxpayers through an indirect tax administration structure, having pan-India presence.



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10. Clarifications on Income Computation and Disclosure Standards (ICDS) notified under Section 145 (2) of the Income Tax Act, 1961

Central Board of Direct Taxes (CBDT) vide Circular No. 10/2017 dated 23rd March, 2017 has provided clarifications on Income Computation and Disclosure Standards (ICDS) as notified under Section 145(2) of the Income Tax Act, 1961. Clarifications with regard to judicial precedents under ICDS, applicability of new Accounting Standards, applicability of ICDS on Banks, Non-Banking financial institutions, Insurance companies, Power Sector etc.

http://www.incometaxindia.gov.in/communications/circular/circular10_2017.pdf

11. Guidelines for waiver of interest charged under section 201(1A) (i) of the Income Tax Act, 1961

Central Board of Direct Taxes (CBDT) vide Circular No. 11/2017 dated 24th March, 2017 has issued guidelines for waiver of interest charged under section 201(1A) (i) of the Income Tax Act, 1961 w.r.t. Interest on Late Payment of TDS. It has been directed that the Chief Commissioner of Income Tax and Director General of Income Tax may reduce or waive interest charged under section 201(1A) (i) of the Act in the classes of cases as specified in the order for the period and to the extent the Chief Commissioner of Income Tax/Director General of Income Tax may deem fit.

http://www.incometaxindia.gov.in/communications/circular/circular11_2017.pdf

12. CBDT notifies the Income Tax (3rd Amendment) Rules, 2017

CBDT has notified the amendment rules which may be called the Income Tax (3rd Amendment) Rules, 2017 and shall come into force on the date of their publication in the Official Gazette. The amendment provides that

every notice or other document communicated in electronic form by an income-tax authority under the Act shall be deemed to be authenticated, in case of electronic mail or electronic mail message, if the name and office of such income-tax authority is printed on the e-mail body, if the notice or other document is in the email body itself; or is printed on the attachment to the e-mail, if the notice or other document is in the attachment, and the e-mail is issued from the designated e-mail address of such income-tax authority. Further, the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) shall specify the designated e-mail address of the income-tax authority, the designated website and the procedure, formats and standards for ensuring authenticity of the communication.

http://www.incometaxindia.gov.in/communications/notification/notification17_2017.pdf

13. CBDT notifies new Income Tax Return Forms for AY 2017-18: Introduces one page simplified ITR Form-1(Sahaj)

Ministry of Finance, Central Board of Direct Taxes (CBDT) vide Press Release dated 31st March, 2017 has notified Income-tax Return Forms (ITR Forms) for the Assessment Year 2017-18. One of the major reforms made in the notified ITR Forms is the designing of a one page simplified ITR Form-1(Sahaj). This ITR Form-1(Sahaj) can be filed by an individual having income upto INR 50 lakh and who is receiving income from salary one house property / other income (interest etc.). Various parts of ITR Form-1 (Sahaj) viz. parts relating to tax computation and deductions have been rationalised and simplified for easy compliance. This will reduce the compliance burden to a significant extent on the individual tax payer. This initiative will benefit more than two crore tax-payers who will be eligible to file their return of income in this simplified Form.



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Simultaneously, the number of ITR Forms have been reduced from the existing nine to seven forms. The existing ITR Forms ITR-2, ITR-2A and ITR-3 have been rationalized and a single ITR-2 has been notified in place of these three forms. Consequently, ITR-4 and ITR-4S (Sugam) have been renumbered as ITR-3 and ITR-4 (Sugam) respectively.

There is no change in the manner of filing of ITR Forms as compared to last year. All these ITR Forms are to be filed electronically. However, where return is furnished in ITR-1 (Sahaj) or ITR-4 (Sugam), the following persons have an option to file return in paper form:-

- (i) an individual of the age of 80 years or more at any time during the previous year; or
- (ii) an individual or HUF whose income does not exceed five lakh rupees and who has not claimed any refund in the return of income,

14. Clarifications on the Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojana, 2016

Ministry of Finance, Central Board of Direct Taxes (CBDT) vide Circular No. 12 of 2017 dated 31st March, 2017 has issued clarifications on the Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojna, 2016. Due to rush in banks during last days of financial year, which also happens to be the last date of filing declaration under the Scheme, CBDT has decided that if an assessee has made payment of tax, surcharge, penalty and deposit under the Scheme, in the banks by the closing hours of 31st March, 2017, he shall be allowed to file declaration in Form No.1 under the Scheme by the 10th of April, 2017.

http://www.incometaxindia.gov.in/communications/circular/circular12_2017.pdf

15. CBDT Notifies Option form for taxation of income from patent

Ministry of Finance, Central Board of Direct Taxes (CBDT) vide Notification dated 31st March, 2017 has inserted a new rule 5G – Option form for taxation of income from patent under section 115BBF in the Income Tax Rules, 1962 thus making it Income Tax (5th Amendment) Rules, 2017.

For the purposes of exercising the option for taxation of income by way of royalty in respect of a patent developed and registered in India, by an eligible assessee under section 115BBF, the eligible assessee shall furnish Form No. 3CFA duly verified in the manner indicated therein, and the same shall be furnished by the eligible assessee in the following manner, namely:- (i) electronically under digital signature; or (ii) electronically through electronic verification code.

http://www.incometaxindia.gov.in/communications/notification/notification25_2017.pdf



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1. Trade Mark Rules 2017

Ministry of Commerce & Industry vide Press Release dated 6th March, 2017 have notified the Trade Mark Rules, 2017 and have come into effect from 06th March, 2017. These Rules, which replace the erstwhile Trade Mark Rules 2002, will streamline and simplify the processing of Trade Mark applications.

Some salient features of the revamped Rules are as follows:

- Number of Trade Mark (TM) Forms have been reduced from 74 to 8.
- To promote e-filing of TM applications, the fee for online filing has been kept at 10% lower than that for physical filing.
- Based on stakeholders feedback, the fees for Individuals, Start-ups and Small Enterprises have been reduced from that proposed in the draft Rules – i.e. only INR. 4,500 as against INR 8,000 for e-filing of TM applications proposed at the draft stage.
- Modalities for determination of well-known trademarks have been laid out for the first time.
- The provisions relating to expedited processing of an application for registration of a trade mark have been extended right upto registration stage (hitherto, it was only upto examination stage).
- Over all fees have been rationalized by reducing the number of entries in Schedule I from 88 to just 23.
- Modalities for service of documents from applicants to the Registry and vice-versa through electronic means have been introduced to expedite the process; e-mail has been made an essential part of address for service to be provided by the applicant or any party to the

proceedings so that the office communication may be sent through email.

- Hearing through video conferencing has been introduced.
- Number of adjournments in opposition proceedings has been restricted to a maximum of two by each party, which will help dispose off matters in time.
- Procedures relating to registration as Registered User of trademarks have also been simplified.

2. Minimum rates of wages in Delhi wef 3rd March 2017

Labour Department, Government of National Capital Territory of Delhi vide Notification dated 3rd March, 2017 has revised the minimum rates of wages as:

Schedule of Employments	Category of Workmen/Employees	Minimum rates of wages (INR)		
		Per month	Per Day	
All Schedule employments	Unskilled	13,350/-	513/-	
	Semi-Skilled	14,698/-	565/-	
	Skilled	16,182/-	622/-	
	Clerical and supervisory staff			
	Non Matriculate	14,698/-	565/-	
	Matriculate but not Graduate	16,182/-	622/-	
	Graduate and above	17,604/-	677/-	

<https://www.taxmann.com/topstories/2223300000010723/govt-hikes-minimum-wages-for-all-category-of-employees.aspx>



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3. No need to affix revenue stamp on PF claim forms in case of payments through NEFT

Employees Provident Fund Organization, Ministry of Labour vide Notification dated 7th March, 2017 has dispensed the procedure of affixing INR 1/- revenue stamp on claim forms in case of payment through NEFT.

4. Clarification by Pension Fund Regulatory and Development Authority (PFRDA) on transfer of amount from Recognized Provident Fund & Superannuation Fund to National Pension Scheme (NPS)

Ministry of Finance vide Press Release dated 7th March, 2017 Pension Fund Regulatory and Development Authority (PFRDA) has clarified the process through a circular dated 06.03.2017 on the transfer of amounts from recognised Provident/Superannuation Funds to NPS.

Accordingly, in case the subscriber is interested to get his/her recognised Provident Fund/Superannuation Fund transferred to NPS, he/she needs to follow the below mentioned process:

1. The subscriber should have an active NPS Tier I account which can be opened either through the employer (where NPS is implemented) or through the Points-of-Presence (POPs) or online through eNPS on the NPS Trust website www.npstrust.org.in
2. The subscriber presently under Government/Private Sector employment should approach the recognised Provident Fund/Superannuation Fund Trust through the current employer by giving request for transfer to his/her NPS account.
3. The Recognised Provident Fund/Superannuation

Fund Trust may initiate transfer of the Fund as per the provisions of the Trust Deed read with the provisions of the Income Tax Act, 1961.

4. The Recognised Provident fund/Superannuation Fund may issue the cheque/draft in the name of:
 - a) In case of Government employee: Nodal Office Name (PAO or CDDO Name) <> Employee Name<> PRAN (12 Digit No.)
 - b) In case of subscriber presently under Private Sector including All Citizen Model: POP (Name of the POP) Collection Account-NPS Trust<>Subscriber Name<>PRAN (12 Digit No.)

In case of Government or Private Sector employee, the employee should request the recognised Provident Fund/Superannuation Fund to issue a letter to his present employer mentioning that the amount is being transferred from the recognised Provident Fund/Superannuation Fund to be credited in the NPS Tier I account of the employee which would be recorded by the present employer or POP as the case may be, while uploading the amount.

It may be noted here that as per the provisions of the Income Tax Act, 1961 the amount so transferred from recognised Provident Fund/Superannuation Fund to NPS is not treated as income of the current year and hence not taxable. Further, the transferred recognised Provident Fund/Superannuation Fund will not be treated as contribution of the current year by employee/employer and accordingly the subscriber would not make Income Tax claim of contribution for this transferred amount.

5. Lok Sabha Passes Maternity Benefits (Amendment) Bill, 2016

Ministry of Labour and Employment vide Press Release dated 9th March, 2017 has announced that the Lok Sabha has passed the Maternity Benefit (Amendment) Bill, 2016 which inter-alia includes increasing maternity



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benefit to woman covered under the Maternity Benefit Act, 1961 from 12 weeks to 26 weeks up to two surviving children in order to allow the mother to take care of the child during his/her most formative stage, providing maternity benefit of 12 weeks to Commissioning mother and Adopting mother, facilitate “work from home” to a mother with mutual consent of the employee and the employer, making mandatory in respect of establishment having fifty or more employees, to have the facility of crèche either individually or as a shared common facility within such distance as may be prescribed by rules & also to allow four visits to the crèche by the woman daily, including the interval for rest allowed to her and every establishment to intimate in writing and electronically to every woman at the time of her initial appointment about the benefits available under the Act.

6. India and Belgium sign Protocol amending the India-Belgium Double Taxation Avoidance Agreement and Protocol - Fighting the menace of Black Money stashed in offshore accounts is a key priority area for the Government

Ministry of Finance vide Press Release dated 9th March, 2017 India and Belgium have signed a Protocol amending the existing Agreement and Protocol between the two countries for Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income today in New Delhi.

The Protocol will broaden the scope of the existing framework of exchange of tax related information. This in turn will help curb tax evasion and tax avoidance between the two countries and will also enable mutual assistance in collection of taxes.

Fighting the menace of Black Money stashed in offshore accounts has been a key priority area for the Government. To further this goal, India has either signed or amended international agreements, declarations or conventions for the Avoidance of Double Taxation & Prevention of Fiscal Evasion with respect to Taxes on Income and for the Exchange of Information with Switzerland, Mauritius, Cyprus, Japan,

Republic of Korea, Kazakhstan, Singapore and Austria during the financial year 2016-17.

7. DVAT 3rd quarter of 2016-17 Online Return Filing due date extended to 17/03/2017

Department of Trade and Taxes, Government of NCT of Delhi vide Circular No. 26 dated 8th March, 2017 has extended the last date of filing of online/hard copy of third quarter return for the year 2016-17, in Form DVAT-16, DVAT-17 and DVAT-48 along with required annexure/enclosures to 17.03.2017.

7. Cabinet approves National Health Policy 2017 - Focus on Preventive and Promotive Health Care and Universal access to good quality health care services

Ministry of Health and Family welfare vide Press Release dated 16th March, 2017 has approved the National Health Policy, 2017 (NHP, 2017). The Policy seeks to reach everyone in a comprehensive integrated way to move towards wellness. It aims at achieving universal health coverage and delivering quality health care services to all at affordable cost.

This Policy looks at problems and solutions holistically with private sector as strategic partners. It seeks to promote quality of care, focus is on emerging diseases and investment in promotive and preventive healthcare. The policy is patient centric and quality driven. It addresses health security and make in India for drugs and devices.

The main objective of the National Health Policy 2017 is to achieve the highest possible level of good health and well-being, through a preventive and promotive health care orientation in all developmental policies, and to achieve universal access to good quality health care services without anyone having to face financial hardship as a consequence.



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8. Government to Amend EPF Scheme, 1952 to Enable EPF Members to Withdraw upto 90 Percent Fund for Purchase of House

Ministry of Labour & Employment vide Press Release dated 16th March, 2017, The Government has taken a decision for modification in the Employees' Provident Funds (EPF) Scheme, 1952 to add a new paragraph 68 BD under which a member of Employees' Provident Fund (EPF), being a member of a co-operative society or a housing society having at least 10 members of EPF, can withdraw upto 90 per cent from the Fund for purchase of dwelling house/flat or construction of dwelling house/acquisition of site. Monthly installments for repayments of any outstanding payments or interest may also be paid from the amount standing to the credit of the member, to the Government/housing agency/primary lending agency or banks concerned.

9. Payment of Wages by cheque or crediting to bank accounts

Ministry of Labour and Employment vide Press Release dated 20th March, 2017 it has been announced that The present wage limit for applicability of the provisions of the Payment of Wages Act, 1936 is INR 18,000/- per month. The Act has been amended by Payment of Wages (Amendment) Act, 2017 (effective from 28.12.2016) to enable the employers to pay wages to their employees by (a) cash or (b) cheque or (c) crediting to their bank account.

The amendment in the Act also enables the appropriate Government to specify the Industrial or other establishment, by notification in the Official Gazette, which shall pay to every person employed in such industrial or other establishment, the wages only by cheque or by crediting in his bank account.

10. Cabinet approves Amendment of in the Customs and Excise Act, relating to abolition of cesses and surcharges on various goods and services to facilitate implementation of GST Regime

Ministry of Finance vide Press Release dated 22nd March, 2017 has approved the following proposals-

- a. Amendment to the Customs Act, 1962;
- b. Amendments to the Customs Tariff Act, 1975;
- c. Amendment to the Central Excise Act, 1944;
- d. Repeal of the Central Excise Tariff Act, 1985; and
- e. Amendment or repeal of the provisions relating to Acts under which cesses are levied.

The above proposals will result in the following benefits:

- a. Insertion of Sections 108A and 108B in the Customs Act, 1962 seeks to provide for furnishing of information relating to import/export of goods by specified persons to enable analysis and detection of cases of under/over-valuation in imports and exports, misuse of export promotion schemes including the Drawback Scheme and violations of the provisions of the Customs Act and various other laws under which Customs officials have been authorized to effectively implement these laws; and
- b. Amendments or repeal of various provisions of other Acts which will no longer be relevant consequent upon roll out of GST will result in cleansing of the irrelevant portions from the Statute Book and reduce multiplicity of taxes.

11. Cabinet approves of proposal to establish a Fund of Fund for Start-ups (FFS)

The Union Cabinet has approved the following proposals with regard to the Fund of Funds of Start-ups (FFS) which was established in June, last year with a corpus of INR 1,000 crores.

Alternate Investment Funds (AIFs) supported by FFS shall invest at least twice the amount of contribution received from FFS in Start-ups



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which was established in June, last year with a corpus of INR. 1,000 crores.

- a. Alternate Investment Funds (AIFs) supported by FFS shall invest at least twice the amount of contribution received from FFS in Start-ups qualifying as per the Gazette Notification G.S.R.180 (E) dt. 17/02/2016. Further, if the amount committed for a Start-up in whole has not been released before a Start-up ceases to be so, the balance funding can continue thereafter.
- b. It was also decided that operating expenses for carrying out due diligence, legal and technical appraisal, convening meeting of Venture Capital Investment Committee, etc. would be met out of the FFS to the extent of 0.50% of the commitments made to AIFs and outstanding. This will be debited to the fund at the beginning of each half year; i.e. April 1 and October 1.

12. Ministry of Labour & Employment issues Contract Labour (Regulation and Abolition) Central Amendment Rules, 2017.

Ministry of Labour & Employment has issued the Contract Labour (Regulation and Abolition) Central Amendment Rules, 2017 which shall come into force on the date of their publication in the Official Gazette. In the Contract Labour (Regulation and Abolition) Central Rules, 1971, Rule 69 has been amended to insert payment of wages through current coin or currency notes or by cheque or by crediting the wages in the bank account of the workman. Further, the appropriate Government may, by notification in the Official Gazette, specify the establishment or class of establishments, the employer of which shall pay to every workman employed in such establishment or class of establishments, the wages only by cheque or by crediting the wages in his bank account.

<http://www.labour.nic.in/sites/default/files/notification%20published%20%281%29.pdf>

13. Maternity Bill Act Amendment, 2017

The Maternity Bill has received assent from the Honourable President of India. The amendment has been made with regard to Extending the period of maternity leave from twelve weeks to Twenty six weeks.

Term such as 'commissioning mother' have also been included which means biological mother who uses her egg to create an embryo implanting in any other woman

It also mentions that a woman who legally adopts a child below the age of three months, shall be entitled for a Maternity Benefit for a period of twelve weeks, from the date the child is adopted to the adopting mother or the commissioning mother as the case may be.

The woman may also take work from home in case the nature of work assigned to the woman is such of a nature. The employer may allow her to do so after availing the Maternity Benefit for such period on such conditions as the employer and the woman may mutually agree.

Every establishment having fifty or more employees, shall have facility of Creche within such a distance as may be prescribed, either separately or along with common facilities:

Provided that the employer shall allow four visits a day to the creche by the woman, which shall also include the interval for rest allowed to her.

Every establishment to intimate in writing and electronically to every woman at the time of her initial appointment regarding every benefit available under the act.

<http://egazette.nic.in/WriteReadData/2017/175036.pdf>



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