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*Only Those who will risk going too far  
Can possibly find out how far one can go.*

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**(Knowledge Manager with Acquisory)**



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# AT A GLANCE

ACQUISORY NEWS CHRONICLE OCTOBER 2017

## ARTICLE

### *Real Estate: GST to Streamline Transactions*

The Government from quite a time is considering to bring the real estate sector under GST.

The sector is unique because it is an immovable property and is also bound by State laws.

If GST is applied on land and immovable property, the buyer has to pay one tax at uniform rate across states (eg stamp duty varies state wise). Implemented efficiently and effectively, one GST for real estate across the country will streamline the transaction and, increase income transparency, lower the cascading effect of taxation. How the states will agree to this and what changes have to be made to compensate them for loss of revenue remain subjects of debate. However, both, the industry and the consumer, seem to be beneficiaries of a more transparent and streamline the way of taxation

### *Crowdfunding – A Concept to be Gauged*

Crowdfunding — is finally gaining traction in India. It's a big opportunity for individuals for new company trying to raise small amounts of money who can't get funded by traditional means, either because of their credit score or the high interest rates. The amounts they are interested in may be too small for traditional lenders. Crowdfunding is a great way to get a small project through.

Crowdfunding can be divided into donation-based (charity/personal causes), debt-based (peer to peer) and equity-based. Crowdfunding is still in a nascent stage in India. However, its market potential is huge. While the base is still small the industry is growing exponentially with a CAGR (compound annual growth rate) of more than 100%.

## LEGAL UPDATES

- ***RBI issues Sovereign Gold Bond Scheme*** - RBI has announced the Sovereign Gold Bond Scheme. Under the scheme SGBs (The Bonds) will be issued in a series of weekly issuances which will be open for subscription from Monday to Wednesday of every week starting from October 09, 2017. The Government of India may, with prior notice, close the Scheme before the specified period.
- ***Aadhaar mandatory for Bank Accounts*** - RBI clarifies that linking of Aadhaar to Bank Accounts is mandatory. The RBI clarifies that, in applicable cases, linkage of Aadhaar number to Bank Account is mandatory under the Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017 published in the Official Gazette on June 1, 2017. These Rules have statutory force and, as such, banks have to implement them without awaiting further instructions.
- ***MCA extends last date of filing of AOC-4 XBRL E-Forms using Ind AS under the Companies Act, 2013 till 31st March, 2018***
- ***MCA extends last date of filing AOC-4 and AOC – 4 XBRL (non Ind –AS) under Companies Act, 2013 to 28<sup>th</sup> November, 2017***
- ***Revised Form GST TRAN-1 filing due date extended to 30th November 2017; GST Registration: FORM GST REG-26 Can Be Filed Till 31st December***
- ***CBEC extends last date for filing of GSTR – 2 for the month of July, 2017 to 30th November, 2017***
- ***DoT simplifies the process for linking of Aadhaar with mobile number*** - Ministry of Communication has introduced new OTP based option for consumer ease with two other convenient options. As per the new rules, the DoT has introduced three new methods to link the registered mobile number with Aadhaar i.e. OTP (One Time Password) based, App based and the IVRS facility.

## Real Estate: GST to Streamline Transactions

With the Goods and Service Tax (GST) intended to replace multiple levels of taxation, it is time to look at how it will affect the Real Estate Sector – from home loans and housing purchase to rentals, across various segments and in addition the grey areas that affect GST will have on final price for a home seeker. GST seeks to transform India with its “One Nation, One Market, One Tax” principle, and all signs indicate that India’s real estate sector won’t be left out of the transformation.

Real Estate has always been sector riddled with litigation owing to multiplicity of taxes and dual administration mechanism, thereby exposing it to the conundrums of both Central and State levies. Currently, certain activities in this sector command a cumulative tax levy on effectively 140% of the actual transaction value owing to cascading effect. Further there are long standing issues which have not been concluded till date.

*“Inclusion of real estate in GST will bring more transparency and reduce the cascading of taxes. Bringing the real estate sector under GST may take time as this will require several legislative processes to be completed.”*



### GST on Immovable asset

In real estate, since land is an immovable asset, the industry has been given a 33 per cent abatement on the 18 per cent GST. Therefore, the effective charge on the sector is now 12 per cent as against the listed 18 per cent. During the period of construction, when the developer collects money from the consumers, pays different vendors and service providers and gets the asset constructed, the under construction product is considered a service and therefore, comes under the purview of GST. It also gets input credit from many of the 267 allied industries. Once the input credit starts flowing in there would be clarity on how much the prices can drop by.

### Impact on buyers & investors

Under the earlier law, buyers were liable to pay taxes depending on the construction status of the property, i.e., whether the property was under construction or complete. When purchasing a property under construction, a buyer was subjected to the payment of VAT, service tax, stamp duty, and registration charges. Properties purchased after completion were exempt from VAT and service tax, and only stamp duty and registration charges were payable. Moreover, the state where the property was located was also a relevant consideration because VAT, stamp duty, and registration

charges — all being state levies — varied from state to state.

The biggest takeaway is that GST is a simple tax that applies to the overall purchase price. All properties under construction will be charged at 12 percent of the property value. This excludes stamp duty and registration charges. For completed properties, the earlier provisions will continue and buyers will pay no indirect tax on sale of ready-to-move-in properties.

## Real Estate: GST to Streamline Transactions

### Impact on developers

Previously, developers were liable to pay customs duty, central excise duty, VAT, entry taxes, etc. on construction material costs. They also had to pay a 15 percent tax on services like labor, architect fees, approval charges, legal charges, etc. Eventually, this tax burden was transferred to the buyer.

Under the new regime, however, the changes in construction costs are not as difficult. It's a mixed bag of now duties expected to be more streamline giving effect in the long run. Furthermore, the reduced cost of logistics will result in a reduction of expenses as well. The input tax credits will also help in increasing profit margins. A developer will be entitled to take input credits on the sale of property under construction against the taxes that are paid by the buyer. All this is expected to bring down the project cost to the developers, and the developers will have to pass on the benefit of the price reduction to the buyer.



Prior to GST, a huge percentage of each real estate project expenditure went unrecorded in the books. GST will cut down this percentage due to cloud storage of invoicing. The real estate sector will also benefit with the new tax law having a positive effect on all ancillary industries since this sector has a stimulating demand for more than 250 ancillary industries.

### Input Service Distributor (ISD) concept

Under GST, an ISD concept has been proposed for transferring the tax credit of input services between two or more locations. Any supplier of goods or services can be considered an ISD. An ISD can transfer credit for all types of GST, including CSGT, SGST, or IGST. Further, an ISD can be any supplier of goods or services. Considering the possibility of multiple state registration, an ISD could be used as a tool to ensure optimal utilization of head office related credit, resulting in actual cost reduction. Furthermore, assessee of a reasonable size having ISD facility will have to file 61 returns in a year.

### Compliance requirements

Compliance requirements are bound to increase in the GST era, real estate firms will need to gear up. All assesses (including composite dealer) will now be required to file annual returns on or before 31st December following the relevant financial year. Moreover, assesses must file annual returns for each registered branch and warehouse. There is a mandatory audit requirement by Chartered Accountant or Cost Accountant where the registered entity's aggregate turnover during financial year crosses Rs 1 crore. In cases where an audit is mandatory, the annual returns need to be accompanied by a copy of the audited annual account and reconciliation statement that reconciles annual returns audited accounts.

## Real Estate: GST to Streamline Transactions

### Conclusion

The impact of GST on real estate sector is expected to be neutral. However we believe that there is going to be a substantial benefit from GST as it will bring the required transparency and accountability. Developers/Contractors would reap the benefit from the many cascading taxes that will be subsumed within GST.

If GST is applied on land and immovable property, the buyer has to pay one tax at uniform rate across states (eg stamp duty varies state wise). Implemented efficiently and effectively, one GST for real estate across the country is the way to go. How the states will agree to this and what changes have to be made to compensate them for loss of revenue remain subjects of debate. However, both, the industry and the consumer, seem to be beneficiaries of a more transparent way of taxation

“Real estate sector should be happy with GST even if the rate declared is higher than current rate”

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## Crowdfunding – A Concept to be Gauged

Crowdfunding is described as “the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the internet. It’s a new go-to-strategy for budding startups. It is the practice of pooling in of resources by numerous people, thus the term ‘crowd’, to fund prospective projects. It is an alternative finance system where funds are raised through mediums like internet-mediated registries, mail order subscriptions, and benefit events and the like.

Crowdfunding is a popular concept that emerged in the US and the UK. As of now, it has become an emerging way of raising capital entailing the use of social media networks – Facebook, Twitter, LinkedIn and some dedicated websites. The modern business environment considers crowdfunding as a way of

connecting investors with the modest business startups and projects, using an online transaction portal that eliminates all the possible barriers to entry.

Crowdfunding has become a serious source of capital to kick-start new ventures and is by far the most disruptive innovation of the 21st century. As an industry, crowdfunding has developed steadily into a primary tool for entrepreneurs and creative people to assess the potential for their ideas, engage with specific people who would be interested in these ideas, and also attract the funding which is pivotal to the success of any project. There are various types of crowdfunding, namely: reward, donation, peer-to-peer, and equity-based. Out of which the Equity based crowd funding is not legalized in India.

*“Crowdfunding is a general process of asking people for donations, which is then used as the capital by startups. As crowdfunding involves pitching ideas directly to the internet users, offering financial banking, entrepreneur and small business owners can leverage it as an option to bypass venture capitalists and angel investors. It also provides, a unique opportunity to validate the concept and scope of a project in the targeted markets.”*

**Donation Crowdfunding** – this kind of crowdfunding denotes solicitation of funds for social, artistic, philanthropic or other purpose, and not in exchange for anything of tangible value.

**Reward Crowdfunding** – It refers to solicitation of funds, wherein investors receive some existing or future tangible reward (such as an existing or future consumer product or a membership rewards scheme) as consideration.

**Peer-to-Peer Crowdfunding** - In Peer-to-Peer lending, an online platform matches lenders/investors with borrowers/issuers in order to provide unsecured loans and the interest rate is set by the platform. Some Peer-to-Peer platforms arrange loans between individuals, while other platforms pool funds which are then lent to small and medium-sized businesses.

**Equity Based Crowdfunding** – In this kind of crowdfunding, in consideration of funds solicited from investors, Equity Shares of the Company are issued.





## Crowdfunding – A Concept to be Gauged

The article itself restricts to following main objectives: first, to examine the regulation of equity based crowdfunding in India; second, to ascertain if equity based crowdfunding qualifies as a “private placement” or “public offer”; third, to determine if the Securities and Exchange Board of India (“SEBI”) has the jurisdiction to regulation equity based crowdfunding in India;

### Equity Based Crowdfunding: The Regulatory Conundrum

Equity based crowdfunding refers to fund raising by business, particularly early – stage funding, through offering equity interests in the business to investors online. Businesses seeking to raise capital through this mode typically advertise online through a crowdfunding platform website, which serves as an intermediary between investors and the start-up companies.

The regulation of equity based crowdfunding is a tricky question, since it comes with its own set of advantages and risks. Its advantages include an unconventional funding mechanism and an opportunity for the crowd to invest in securities. However, at the same time, it comes with higher chances of failure and there is information asymmetry. Regulation therefore requires deeper duties of the advantages and disadvantages of such methods of funding.

#### Pros of Crowdfunding

- ✓ Provides a much needed new mode of financing for start – ups and SME sector and increases flows of credit to SMEs and other users in the real economy.
- ✓ It act as an alternative sources of raising funds for SME.
- ✓ SMEs are able to raise funds at lower cost of capital without undergoing through rigorous procedures in this mode.
- ✓ The method provides new investment avenue and provides a new product for portfolio diversification of investors.

SEBI had also issued a consultation paper in 2014, in which it asked for proposals and suggestions regarding the regulation of equity based crowdfunding in India. In that paper, SEBI analysed the concept of crowdfunding, its advantages, disadvantages and the risks posed by it. It also leaned in favour of a restricted and highly regulated mechanism for it, *inter alia*, limited investors to accredited investors; it also imposed a requirement of 5% investment by qualified-institutional buyers and restricted crowdfunding platforms to the ones that qualify the high threshold requirement of Class I, Class II, Class III entities.

Four main aspects of the consultation paper stand out:

- (i) SEBI did not include retail investors;
- (ii) only unlisted public companies were stated to be eligible for crowdfunding;
- (iii) advertisements were not allowed; and
- (iv) a cumbersome process is imposed on the issuing company. However, the most important takeaway from the consultation paper was SEBI’s observation that: “*crowdfunding is intended to facilitate capital raising through online medium by start-ups and SMEs and not for the resale of securities. There is no requirement of listing for trading and no listing obligation on the issuer.*”

However, in a press release issued on August 30, 2016, SEBI

found that: “*The electronic platforms are allegedly facilitating investment in the form of private placement with companies, as the offer is open to all the investors registered with the platform amounting to a contravention of the provisions of Securities Contract (Regulation) Act, 1956 (SCRA) and the Companies Act, 2013.*” Thus, it noted that compliance with SCRA, listing of issuing company and recognition of the crowdfunding platform are mandatory. After enquiring with a few angel investors about their mode of fundraising in August this year, SEBI instructed them to issue a disclaimer that their activities are not authorised by SEBI.

Thus, there is an absence of a robust structure of law regulating equity of crowdfunding in India, and the inconsistent approach taken by SEBI has led to confusion amongst investors and fund-raisers alike.

## Crowdfunding – A Concept to be Gauged

### Few Observations as to the Status of Crowdfunding in India

Thus, there is a need of solid crowd funding law and good regulation will enable the Indian Startups in a great way which ensures that the probability of committing a fraud is near to zero provided if some adequate steps are taken by SEBI to ensure protection. This is because as Crowd Funding is done through the use of internet platform it allows investors to directly connect with the Company. Thus, it needs more transparency and democratize investment in startups. In the context of India, transparency and trust is more essential as there are always numerous complaints of small level businesses committing fraud with the people on regular basis.

### Conclusion

Crowdfunding has become a popular method to raise money for early stage business and charitable organisations. Globally, it is approximately a \$34 billion industry. Although donation based and reward based crowdfunding platforms are growing due to minimum regulatory expectation the same is not the case with equity crowdfunding.

It has been observed that are three modes of raising funds on certain online platforms for start-ups. Under the first mode, the profile is visible to all; in the second

mode, the basic information about the company is visible to all, but specific details of the company is given only permission; and, under the last mode neither the basic nor detailed profile is visible on any platform. Hence, although the last two modes may not be in violation of private placement norms, the first may potentially constitute an illustration of the types of crowdfunding platform referred to by SEBI in its caution note. It is unlikely that the crowdfunding platforms that adhere to private placements norms violate any law. Yet, SEBI's observation that: "*investors are hereby cautioned that all dealings on such unauthorized electronic platforms would be in contravention of the relevant securities laws,*" raises concerns about the validity of crowdfunding and has caused distress among investors and fund-raisers alike.

Therefore, India requires a comprehensive law on equity crowdfunding. At present, the status of cross-border crowdfunding is unclear. A mechanism such as the one present in the Italy which allows a crowdfunding platform to control information asymmetry and protect the interests of the shareholders is welcome. Alternatively, it is suggested that there can be relaxations in procedural, registration, and disclosure requirements as envisaged in the laws of the USA. Such relaxation should be supplemented with a specific legislation on crowdfunding as it has aspects that cannot be strictly categorised into a private placement or a public offer.

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# RBI UPDATES

## **1. Master Directions - Non-Banking Financial Company – Peer to Peer Lending Platform (Reserve Bank) Directions, 2017**

RBI vide Notification No. RBI/DNBR/2017-18/57 Master Direction DNBR (PD) 090/ 03.10.124/ 2017-18 dated 4<sup>th</sup> October, 2017 has issued Master Directions for Non-Banking Financial Company – Peer to Peer Lending Platform (Reserve Bank) Directions, 2017. These Directions shall apply to every Non-Banking Financial Company- Peer to Peer Lending Platform (NBFC-P2P) as defined in these Directions. These Directions provide a framework for the registration and operation of NBFC-P2Ps in India.

The objective of these Directions is to provide a framework for the registration and operation of NBFC-P2Ps in India. "Peer to Peer Lending Platform" means an intermediary providing the services of loan facilitation via online medium or otherwise, to the participants. No NBFC-P2P shall commence or carry on the business of a Peer to Peer Lending Platform without obtaining a Certificate of Registration (hereinafter referred to as "CoR") from the Bank. Every company seeking registration with the Bank as an NBFC-P2P shall have a net owned fund of not less than rupees twenty million or such higher amount as the Bank may specify. A detailed procedure for registration by the existing and prospective NBFC-P2P is provided through these directions.

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11137&Mode=0>

## **2. Sovereign Gold Bond Scheme**

RBI vide Notification No. RBI/2017-18/71 IDMD.CDD.No.929/14.04.050/2017-18 dated 6<sup>th</sup> October, 2017 has announced the Sovereign Gold Bond Scheme. Under the scheme SGBs (The Bonds) will be issued in a series of weekly issuances which will be open for subscription from Monday to Wednesday of every week starting from October 09, 2017. The Government of India may, with prior notice, close the Scheme before the specified period.

The Bonds under this Scheme may be held by a person resident in India, being an individual, in his capacity as such individual, or on behalf of minor child, or jointly with any other individual. The bond may also be held by a Trust, Charitable Institution and University. "Person resident in India" is defined under section 2(v) read with section 2(u) of the Foreign Exchange Management Act, 1999.

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11139&Mode=0>

## **3. Master Direction on Issuance and Operation of Prepaid Payment Instruments**

RBI vide Notification No. RBI/DPSS/2017-18/58 Master Direction DPSS.CO.PD.No.1164/02.14.006/2017-18 dated 11<sup>th</sup> October, 2017 has issued master direction on Issuance and Operation of Prepaid Payment Instruments.

These Directions shall be called the Reserve Bank of India (Issuance and Operation of Prepaid Payment Instruments) Directions, 2017 (Master Direction). These Directions shall come into effect from October 11, 2017. Existing authorised Prepaid Payment Instrument (PPI) issuers shall ensure compliance with the revised requirements on or before December 31, 2017, except where timelines have been specified in this Direction. The provisions of the Master Direction shall apply to all PPI Issuers, System Providers and System Participants.

The directions has been issued w.r.t. To provide a framework for authorisation, regulation and supervision of entities operating payment systems for issuance of PPIs in the country; To foster competition and encourage innovation in this segment in a prudent manner while taking into account safety and security of transactions as well as systems along with customer protection and convenience.

To provide for harmonisation and interoperability of PPIs.

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11142&Mode=0>



# RBI UPDATES

## ***4. Risk Management and Inter-Bank Dealings – Facilities for Hedging Trade Exposures invoiced in Indian Rupees***

RBI vide Circular No. 08 dated 12<sup>th</sup> October, 2017 has issued guidelines for facilities for hedging trade exposures invoiced in Indian rupees. The purpose of such facilities is to hedge the currency risk arising out of genuine trade transactions involving exports from and imports to India, invoiced in Indian Rupees, with AD Category I banks in India.

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11144&Mode=0>

## ***5. RBI clarifies linking of Aadhaar to Bank Accounts is mandatory***

RBI clarifies that linking of Aadhaar to Bank Accounts is mandatory. It is clarified that some fake news items have appeared in a section of the media quoting a reply to a Right to Information Act application that Aadhaar number linkage with bank accounts is not mandatory. The Reserve Bank clarifies that, in applicable cases, linkage of Aadhaar number to Bank Account is mandatory under the Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017 published in the Official Gazette on June 1, 2017. These Rules have statutory force and, as such, banks have to implement them without awaiting further instructions.

[https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=42024](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=42024)





# MCA UPDATES

## **1. MCA issues clarification regarding the timelines for making applicable/available new Form DPT-3 issued vide the Companies (Acceptance of Deposits) Second Amendment Rules, 2017**

MCA has issued clarification regarding the timelines for making applicable / available new Form DPT-3 issued vide the Companies (Acceptance of Deposits) Second Amendment Rules, 2017. The said amendment Rules inter-alia provide for substitution of existing Form DPT-3 with a new Form DPT-3. MCA has clarified that new Form DPT-3 shall be made available for E-filing after the month of November, 2017 and till the time the new eform is made available, the existing e-form can be used.

[http://www.mca.gov.in/Ministry/pdf/GeneralCircular11\\_27.09.2017.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircular11_27.09.2017.pdf)

## **2. NCLT issues Order w.r.t. transfer of pending cases pertaining to Oppression and Mis-management**

NCLT has issued an Order w.r.t transfer of pending cases pertaining to Oppression and Mis-management filed under the provisions of the Section 397 & 398 of the Companies Act, 1956 and / or Section 241-242 of the Companies Act, 2013. It has been decided by the competent authorities to transfer 72 cases which were filed in previously and still pending in National Company Law Tribunal, Principal Bench, New Delhi to National Company Law Tribunal, Division Bench, New Delhi. The order is effective from 26-09-2017 and revised schedule of hearing in all such matters are also allocated. Stakeholders are advised to check the details and act accordingly.

## **3. IBBI notifies the Insolvency and Bankruptcy Board of India (Information Utilities) (Amendment) Regulations, 2017**

The Insolvency and Bankruptcy Board of India has notified the Insolvency and Bankruptcy Board of India (Information Utilities) (Amendment) Regulations, 2017 which shall come into force on the date of their publication in the Official Gazette. In the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, in regulation

3, sub-regulations (e) and (f) shall be omitted which are related to the control of the Information Utility and their voting power more than 49% by the person(s) resident outside India. Further, an Indian Company, Listed on a recognised Stock Exchange in India, or any other Company, where no individual holds more than ten percent of the paid-up equity share capital, may hold up to hundred percent of the paid-up equity share capital or total voting power of an information utility up to three years from the date of its registration. Provided that the information utility is registered before 30th September, 2018. New Clause is also added as Regulation 9 (1A) to define the control of the Management of the Company as more than half of the directors of an information utility shall be Indian nationals and residents in India.

[http://ibbi.gov.in/Notified\\_IBBI\(IU\)\\_ \(Amendment\)\\_Regulations\\_2017.pdf](http://ibbi.gov.in/Notified_IBBI(IU)_ (Amendment)_Regulations_2017.pdf)

## **4. IBBI has amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and Insolvency and Bankruptcy Board of India (Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017**

IBBI has amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and Insolvency and Bankruptcy Board of India (Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017. According to the amended regulations, a resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors, of the corporate debtor.

<http://ibbi.gov.in/webadmin/pdf/press/2017/Oct/Insolvency%20and%20Bankruptcy%20Board%20of%20India-%20Press%20Release%205.10.%202017.pdf>

## **5. MCA opposes recommendations made by SEBI Committee on Corporate Governance on the ground that the concern matters already covered by the Companies Act**

The Ministry of Corporate Affairs has opposed some of the recommendations made by the Securities



# MCA UPDATES

and Exchange Board of India committee on corporate governance on the grounds that they concern matters already covered by the Companies Act. The committee, which was set up by SEBI to suggest ways in which to enhance corporate governance standards, has called for an increase in the minimum number of directors and the inclusion of at least one independent woman board member — areas under the ambit of the Companies Act and therefore not under the remit of the market regulator. The corporate affairs department also expressed concern that some recommendations seek to extend jurisdiction to unlisted companies, which are regulated by MCA. This relates to the obligations of a listed company's board with respect to subsidiaries.

## **6. MCA Notifies IEPF Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017**

MCA has notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 which shall come into force from 13th October, 2017. Through this amendment detailed process and procedure w.r.t Transfer of Shares to the specified account of the IEPF Authority has been laid. Accordingly, where the period of Seven Years under sub section (5) of Section 124 has been completed during the period from 7th September 2016 to 31st October, 2017, the due date of Transfer shall be deemed to be 31st October, 2017. Further, Transfer of Shares by the Company to the Fund shall be deemed to be Transmission of Shares. And the procedure followed for Transmission of Shares shall be followed while transferring the shares. Furthermore, Every Company which has deposited amount to the Fund shall nominate Nodal Officer for the purpose of coordination with IEPF Authority and shall communicate the details of Nodal Officer within 15 days from the date of publication of this rules. Company shall display the name of Nodal Officer and his email ID on its website.

[http://www.mca.gov.in/Ministry/pdf/IEPFNotification\\_13102017.pdf](http://www.mca.gov.in/Ministry/pdf/IEPFNotification_13102017.pdf)

## **7. MCA notifies the Companies (Registered Valuers and Valuation) Rules, 2017**

MCA has notified the Companies (Registered Valuers and Valuation) Rules, 2017 which shall come into force on the date of their publication in the Official Gazette i.e 18th October, 2017. A person shall be eligible to be a registered valuer if he is a valuer member of a registered valuers organisation, possesses the prescribed qualifications and experience and his candidature is recommended by the registered valuers organisation of which he is a valuer member for registration as a valuer. The Insolvency and Bankruptcy Board of India (IBBI) is the authority responsible for these regulations. These rules are basically about who could become valuers and the process of registration and deregistration of these valuers with the IBBI. The Chartered Accountants can conduct a financial audit, while subject experts will have to be hired for other specific audits such as for machinery and real estate. Essentially, there will be separate financial valuers and technical valuers. These rules will also be applicable to companies going in for liquidation under the Insolvency Code. Further, companies are now allowed to function as registered valuers, provided three or all of their directors are registered valuers. Because of this, merchant bankers also qualify to become valuers. Unregistered valuers can continue to work till March 31, 2018.

[http://www.mca.gov.in/Ministry/pdf/RegisteredValues\\_19102017.pdf](http://www.mca.gov.in/Ministry/pdf/RegisteredValues_19102017.pdf)

## **8. MCA notifies powers and functions vested under Section 247 - Valuation by Registered Valuers of the Companies Act, 2013**

MCA has finally notified that the powers and functions vested in it under section 247 of the said Act shall now be delegated to the Insolvency and Bankruptcy Board of India, subject to the condition that the central Government may revoke such delegation of powers or it may exercise the powers under the said section if in its opinion such a course of action is necessary in the public interest. The Section 247 deals with the Valuation by Registered Valuers. This notification shall come into force with effect from the date of its publication in the Official Gazette.

[http://www.mca.gov.in/Ministry/pdf/delegationOfPowers\\_Section247\\_24102017.pdf](http://www.mca.gov.in/Ministry/pdf/delegationOfPowers_Section247_24102017.pdf)





# MCA UPDATES

## ***9. MCA extends last date of filing of AOC-4 XBRL E-Forms using Ind AS under the Companies Act, 2013 till 31st March, 2018***

MCA has finally issued a circular for Relaxation of additional fees and extension of last date of filing of AOC-4 XBRL E-Forms using Ind AS under the Companies Act, 2013. The extension is granted to all companies which are required to prepare their financial statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 for the financial year 2016-2017 are required to submit their statements only in XBRL format. As the development of tools necessary for deployment of the taxonomy for XBRL filing is expected to be completed by 28-02-2018, it is therefor decided to extend the last date for filing of AOC - 4 XBRL for such companies for the financial year 2016-17 without additional fees till 31st March, 2018. The filing should be made by these companies only when the IndAS taxonomy is deployed by the MCA.

[http://www.mca.gov.in/Ministry/pdf/GeneralCircular13\\_26102017.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircular13_26102017.pdf)

## ***10. MCA issues clarification regarding approval of resolution plans under Section 30 and 31 of the Insolvency & Bankruptcy Code, 2016***

MCA has issued clarification regarding approval of resolution plans under Section 30 and 31 of the Insolvency & Bankruptcy Code, 2016. MCA has provided clarity, that the resolution plans under the Insolvency and Bankruptcy Code does not require approval of the shareholders. The clarification comes against the backdrop of concerns in certain quarters about the possibility of promoters of a company blocking insolvency resolution process under the existing provisions of the Code. As Resolution process is taken up only after it is approved by the National Company Law Tribunal (NCLT), the adjudicating authority, a resolution plan approved by the adjudicating authority shall be binding on the corporate debtor and its employees, members, creditors, guarantors and other stakeholders involved in the resolution plan. It is further clarified that approval of shareholders of the company for a particular action required in the resolution plan is deemed to

have been given by the adjudicating authority.

<http://ibbi.gov.in/Clarification%20regarding%20resolution%20plan.pdf>

## ***11. MCA extends last date of filing AOC-4 and AOC – 4 XBRL (non Ind –AS) under Companies Act, 2013 to 28th November, 2017***

MCA vide Circular dated 27<sup>th</sup> October, 2017 has extended the last date of filing AOC – 4 and AOC – 4 XBRL (non Ind – AS) upto 28<sup>th</sup> November, 2017.



# SEBI UPDATES

## **1. Change in reporting norms for Category III Alternative Investment Funds ("AIFs"), regarding investment in commodity derivatives market**

SEBI vide Circular No. SEBI/HO/IMD/DF1/CIR/P/2017/110 dated 29<sup>th</sup> September, 2017 has revised the reporting formats for Category III AIFs so as to capture the information pertaining to investment in commodity derivatives as per Annexure enclosed in the Circular. All Category III AIFs are advised to submit the monthly/quarterly report in the revised format for the period ended September 30, 2017 onwards.

[http://www.sebi.gov.in/legal/circulars/sep-2017/change-in-reporting-norms-for-category-iii-alternative-investment-funds-aifs-regarding-investment-in-commodity-derivatives-market\\_36135.html](http://www.sebi.gov.in/legal/circulars/sep-2017/change-in-reporting-norms-for-category-iii-alternative-investment-funds-aifs-regarding-investment-in-commodity-derivatives-market_36135.html)

## **2. SEBI issues circular on non-compliance with Minimum Public Shareholding (MPS)**

SEBI issued a circular on non-compliance with the Minimum Public Shareholding (MPS) requirements as per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015 which mandates a listed entity to comply with the MPS requirements. In order to maintain consistency and uniformity of approach in the enforcement of MPS norms mandated under regulation 38 of the Listing Regulations, procedure has been prescribed through this circular and shall be followed by the recognised stock exchanges/depositories, as applicable, with respect to non-compliant listed entities, their promoters and directors. The stock exchanges shall issue notices to such entities within 15 days from date of observation of non-compliance, intimating all actions taken / being taken and advise the entities to ensure compliance. The recognized stock exchange shall impose an increased fine of ₹10,000/- per day of non-compliance on the listed entity and such fine shall continue to be imposed till the date of compliance by such listed entity. The recognized stock exchange may also consider compulsory delisting of the non-compliant listed entity in accordance with the applicable provisions.

[http://www.sebi.gov.in/legal/circulars/oct-2017/non-compliance-with-the-minimum-public-shareholding-mps-requirements\\_36216.html](http://www.sebi.gov.in/legal/circulars/oct-2017/non-compliance-with-the-minimum-public-shareholding-mps-requirements_36216.html)

## **3. SEBI prescribes Criteria for Settlement Mode of Commodity Derivative Contracts**

The Securities and Exchange Board of India in order to effectively discharge their hedging function, commodity derivative contracts must be anchored to their respective underlying physical markets, has issued circular on Criteria for Settlement Mode of Commodity Derivative Contracts. The Board has prescribed the guidelines for deciding appropriate settlement mode for commodity derivatives contracts. The first preference of settlement type shall always be by the way of physical delivery and cash settlement of commodity derivatives contract may be considered only in specified scenarios with a proper justification. Further, there is availability of reliable benchmark price of the commodity which can be used as reference for settlement price. Exchanges shall satisfy themselves that the reference spot price is robust fair indicator of prevailing prices and not susceptible to any distortion/manipulation. The provisions of the circular shall come into effect from the date of the circular.

[http://www.sebi.gov.in/legal/circulars/oct-2017/criteria-for-settlement-mode-of-commodity-derivative-contracts\\_36281.html](http://www.sebi.gov.in/legal/circulars/oct-2017/criteria-for-settlement-mode-of-commodity-derivative-contracts_36281.html)

## **4. SEBI notifies amendments to SEBI (International Financial Services Centres) Guidelines, 2015**

The SEBI has issued circular to notify the amendments to Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015. In order to further streamline the operations at IFSC, based on the internal discussions and consultations held with the stakeholders, it has been decided to further streamline the process and to protect the interests of investors in securities and to promote the development of and to regulate the securities market. It is now decided to allow any entity based in India or in a foreign jurisdiction may form a company in IFSC to act as a trading member of a stock exchange and/or a clearing member of a

# SEBI UPDATES

clearing corporation in IFSC.

[http://www.sebi.gov.in/legal/circulars/oct-2017/securities-and-exchange-board-of-india-international-financial-services-centres-guidelines-2015-amendments\\_36289.html](http://www.sebi.gov.in/legal/circulars/oct-2017/securities-and-exchange-board-of-india-international-financial-services-centres-guidelines-2015-amendments_36289.html)



# TAXATION UPDATES

## ***1. Facility of furnishing Letter of Undertaking extended to more exporters***

Ministry of Finance vide Press Release dated 30<sup>th</sup> September, 2017, To facilitate exports under GST, it has been decided that the facility of furnishing Letter of Undertaking, in place of a bond, for exporting goods or services or both shall be allowed to exporters and no bank guarantee will be required. The relevant notification for this shall be issued in due course.

The issue of cash blockage is expected to be partially addressed by this measure. More measures are under consideration.

## ***2. CBEC specifies conditions and safeguards for furnishing a Letter of Undertaking in place of a Bond by a registered person who intends to supply goods or services for export without payment of integrated tax***

The Central Board of Excise and Customs has specified conditions and safeguards for furnishing a Letter of Undertaking in place of a Bond by a registered person who intends to supply goods or services for export without payment of integrated tax. All registered persons who intend to supply goods or services for export without payment of integrated tax shall be eligible to furnish a Letter of Undertaking in place of a bond except those who have been prosecuted for any offence under the Central Goods and Services Tax Act, 2017 or the Integrated Goods and Services Tax Act, 2017 or any of the existing laws in force in a case where the amount of tax evaded exceeds two hundred and fifty lakh rupees. Further, the Letter of Undertaking shall be furnished on the letter head of the registered person, in duplicate, for a financial year in the annexure to FORM GST RFD – 11 and it shall be executed by the working partner, the Managing Director or the Company Secretary or the proprietor or by a person duly authorised by such working partner or Board of Directors of such company or proprietor. The provisions of this notification shall mutatis mutandis apply in respect of zero-rated supply of goods or services or both made by a registered person (including a Special Economic Zone developer or Special Economic Zone unit) to a Special Economic Zone developer or Special Economic Zone unit without payment of integrated tax.

<http://www.cbec.gov.in/resources/htdocs-cbec/gst/notfctn-37->

[central-tax-english.pdf](#)

## ***3. Recommendations made by the GST Council in its 22nd Meeting***

The GST Council, in its 22nd Meeting has recommended various facilitative changes to ease the burden of compliance on small and medium businesses. Some of the welcome changes are Registration and operationalization of TDS/TCS provisions to be postponed till 31st March, 2018; The e-way bill system to be introduced in a staggered manner with effect from 1st January, 2018 and will be rolled out nationwide with effect from 01st April 2018. The last date for filing the return in FORM GSTR-4 by a taxpayer under composition scheme for the quarter July-September, 2017 shall be extended to 15th November 2017. The last date for filing the return in FORM GSTR-6 by an input service distributor for the months of July, August and September, 2017 shall be extended to 15th November 2017. Invoice Rules to be modified to provide relief to certain classes of registered person. Suspension of the reverse charge mechanism u/s 9(4) of the CGST Act, 2017 and u/s 5(4) of the IGST Act, 2017 till 31st March 2018. Changes in Composition Schemes to simplify compliance structures for the tax payers. The taxpayers having annual aggregate turnover up to Rs. 1.5 crores shall not be required to pay GST at the time of receipt of advances on account of supply of goods. The GST on such supplies shall be payable only when the supply of goods is made.

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=171466>

## ***4. No extension of last date for filing GSTR-1 for July, 2017***

Ministry of Finance vide Press Release dated 9<sup>th</sup> October, 2017 has announced that there shall be no extension of filing GSTR-1 for July, 2017. The last date for filing GSTR-1 for the month of July, 2017 is 10th October, 2017. An extension of two months has already been given. There will be no further extension given to taxpayers for filing their GSTR-1 return for July. Taxpayers who have not yet filed their GSTR-1 for July are advised to do so immediately.





# TAXATION UPDATES

Once a taxpayer files GSTR-1 by 10th October, the corresponding entries in GSTR-2A of his buyer shall get auto populated. The buyer shall finalize his GSTR-2 after making modifications (additions, corrections or deletions), if required, in GSTR-2A. The Input Tax Credit (ITC) shall be availed by the buyer based on his GSTR-2. If a taxpayer does not file GSTR-1 by 10th of October, then his buyer may face difficulty in availing ITC of the tax paid on his supplies. It is therefore advised that all suppliers of goods or services, especially B2B suppliers, furnish their outward supply details in GSTR-1 by the due date so that no difficulty is faced by their buyers in availing ITC and the return cycle can be completed in due course.

## **5. GST Council makes the recommendations for GST rate structure to reduce the cascading of taxes arising on account of non-inclusion of petrol, diesel, ATF, natural gas and crude oil in GST**

GST Council has made the recommendations for GST rate structure to reduce the cascading of taxes arising on account of non-inclusion of petrol, diesel, ATF, natural gas and crude oil in GST and to incentivise investments in the E&P (exploration and production) sector and downstream sector. Offshore works contract services and associated services relating to oil and gas exploration and production in the offshore areas beyond 12 nautical miles shall attract GST of 12%. Transportation of natural gas through pipeline will attract GST of 5% without input tax credits (ITC) or 12% with full ITC. Import of rigs and ancillary goods imported under lease will be exempted from IGST, subject to payment of appropriate IGST on the supply/import of such lease service and fulfilment of other specified conditions. Further, GST rate on bunker fuel is being reduced to 5%, both for foreign going vessels and coastal vessels.

<http://www.cbec.gov.in/resources/htdocs-cbec/press-release/cbec-press-release-dt-11.10.2017-petroleum-oil-sector.pdf>

## **6. Leasing of vehicles purchased and leased prior to 1st July, 2017 would attract GST at a rate equal to 65% of the applicable GST rate (including Compensation Cess).**

Ministry of Finance vide Press Release dated 12<sup>th</sup> October, 2017, it has been decided that Leasing of vehicles purchased and leased prior to 1st July, 2017 would attract GST at a rate equal to 65% of the applicable GST rate (including Compensation Cess).

Such vehicles when sold shall attract GST of 65% of the applicable GST rate (including Compensation Cess).

Sale of vehicles by a registered person who had procured the vehicle prior to 1st July, 2017 and has not availed any Input Tax Credits of Central Excise duty, VAT or any other taxes paid on such motor vehicles, would also be subject to 65% of applicable GST rate (including Compensation Cess).

These rates would apply for a period of three years with effect from 1st July, 2017.

## **7. CBEC notifies the Central Goods and Service Tax (Ninth Amendment) Rules, 2017**

CBEC has notified the Central Goods and Services Tax (Ninth Amendment) Rules, 2017 which shall come into force on the date of their publication in the Official Gazette. The exemption contained in the notification No. 8/2017-Central Tax (Rate) dated the 28th June, 2017 as amended by this notification shall apply to all registered persons till the 31st day of March, 2018. The above mentioned notification will be effective from October 13th, 2017. Accordingly, the CBEC has notified suspension of Reverse Charge Mechanism (RCM) till 31 March 2018 under Section 9(4) of the CGST Act, 2017/ Section 7(4) of the UTGST Act, 2017/ Section 5(4) of the IGST Act, 2017. There is nothing in the Notification on the effective date of RCM suspension. However GSTN has tweeted on 12 Oct. 2017 that the RCM Suspension will be applicable w.e.f. the date of Notification (i.e. 13 Oct. 2017). This will benefit small businesses and substantially reduce compliance costs. The exemption contained in this notification shall apply to all registered persons till the 31st day of March, 2018.

<http://www.cbec.gov.in/resources/htdocs-cbec/gst/notfctn-38-cgst-rate-english.pdf?jsessionid=F5C06A9C05E56DD43D3EB0D584C89636>



# TAXATION UPDATES

## **8. CBDT issues clarification for guidelines for establishing 'Place of Effective Management' (PoEM) in India**

CBDT has issued Clarification related to guidelines for establishing 'Place of Effective Management' (PoEM) in India. The concept of 'Place of Effective Management' (PoEM) is being used for deciding residency status of a company, other than an Indian Company. It has been clarified that so long as the Regional Headquarter operates for subsidiaries/ group companies in a region within the general and objective principles of global policy of the group laid down by the parent entity in the field of Pay roll functions, Accounting, HR functions, IT infrastructure and network platforms, Supply chain functions, Routine banking operational procedures, and not being specific to any entity or group of entities per se; it would, in itself, not constitute a case of BoD of companies standing aside and such activities of Regional Headquarter in India alone will not be a basis for establishment of PoEM for such subsidiaries/ group companies.

[http://www.incometaxindia.gov.in/news/circular25\\_2017.pdf](http://www.incometaxindia.gov.in/news/circular25_2017.pdf)

## **9. CBDT invites Comments and Suggestions for Amendment of Income Tax Rules w.r.t. Registration of Charitable or Religious Trusts**

CBDT has invited Comments and Suggestions Invited for Amendment of Income-tax Rules wrt Registration of Charitable or Religious Trusts. Through the Finance Act, 2017, a new clause (ab) was inserted in sub-section (1) of Section 12A of the Income-tax Act, 1961 w.e.f 01.04.2018 to the effect that where a trust or an institution, which has been granted registration under sections 12A or 12AA of the Act has subsequently adopted or undertaken modification of the objects and such modification does not conform to the conditions of such registration, then such trust or institution shall be required to obtain registration again by making an application within a period of thirty days from the date of such adoption or modification of the objects. The rules for making an application for registration of charitable or religious trusts under section 12A of the Act are laid down under Rule 17A of the Income-tax Rules, 1962. As per the Rules, the application, for registration of charitable or religious trusts under section 12A of the Act, is to be made in Form 10A. Accordingly,

subsequent to the aforesaid amendment to the Act, Rule 17A and Form 10A are proposed to be amended. In this regard, draft notification providing for the amendment of Rule 17A and Form 10A has been framed and available for comments from stakeholders and general public. The comments and suggestions on the draft Rules may be sent by 27th October, 2017 electronically.

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=171793>

## **10. CBEC issues Clarification on issues wherein the goods are moved within the State or from the State of registration to another State for supply on approval basis**

CBEC has issued Clarification on issues wherein the goods are moved within the State or from the State of registration to another State for supply on approval basis. It is clarified that the goods which are taken for supply on approval basis can be moved from the place of business of the registered supplier to another place within the same State or to a place outside the State on a delivery challan along with the e-way bill wherever applicable and the invoice may be issued at the time of delivery of goods. For this purpose, the person carrying the goods for such supply can carry the invoice book with him so that he can issue the invoice once the supply is fructified. It is further clarified that all such supplies, where the supplier carries goods from one State to another and supplies them in a different State, will be inter-state supplies and attract integrated tax in terms of Section 5 of the Integrated Goods and Services Tax Act, 2017. It is also clarified that this clarification would be applicable to all goods supplied under similar situations.

<http://www.cbec.gov.in/resources/htdocs-cbec/gst/circularno-10-gst.pdf>

## **11. Government Waives Late Fee for August and September GST 3B Returns**

Central Government has clarified that no late fee would be levied on tax payers who failed to furnish the return in FORM GSTR-3B for the month of August and September, 2017 by the due date.





## TAXATION UPDATES

### **12. FORM GST-ITC-04 filing due date extended to 30th November 2017**

Central Government has extended due date for filing ITC-04 for details of goods/capital goods sent to job worker and received back.

### **13. FORM GST ITC-01 filing due date extended to 30th November 2017**

Central Government hereby extends the time limit for making a declaration, in FORM GST ITC-01, by the registered persons, who have become eligible during the months of July, 2017, August, 2017 and September, 2017, to the effect that they are eligible to avail the input tax credit under sub-section (1) of section 18 of the said Act, till the 30th day of November, 2017.

### **14. Revised Form GST TRAN-1 filing due date extended to 30th November 2017 GST Registration: FORM GST REG-26 Can Be Filed Till 31st December**

Central Government has extended due date for filing application for Final Registration in FORM GST REG-26 is extended to 31st December 2017.

### **15. CBEC extends last date for filing of GSTR – 2 for the month of July, 2017 to 30th November, 2017**

CBEC has again extended the last date for filing of GSTR - 2 for the month of July, 2017 to 30th November, 2017. The last date for filing of GSTR-2 for the month of July, 2017 was 31st October, 2017 and authorities have approved the extension of filing of GSTR- 2 for July, 2017 to 30th November, 2017, for facilitation of businesses and all taxpayers. Accordingly, the last date for filing of GSTR-3 for the month of July, 2017 also stands extended to 11th December, 2017 (the deadline was 10th November, 2017). This will facilitate about 30.81 lakh taxpayers for filing GSTR-2 for the month of July, 2017.

<http://www.cbec.gov.in/resources/htdocs-cbec/gst/notfctn-54-central-tax-english.pdf>

### **16. CBDT Order on extension of due date of ITR / TAR to 7th Nov 2017**

CBDT extends the 'due-date' for filing income-tax returns and reports of audit pertaining to Assessment Year 2017-2018 from 31st October, 2017 to 7th November, 2017.

### **17. CBDT notifies rules /Forms, documents for Furnishing of Report in respect of an International Group**

CBDT has issued Income-tax (Twenty-fourth Amendment) Rules, 2017. The rules/Forms, documents for furnishing in respect of an International Group has been notified.

In the Income-tax Rules, 1962 (hereafter referred to as the Principal Rules), in Part II, after rule 10D, the following rules shall be inserted, namely:-

*“Information and documents to be kept and maintained under proviso to sub-section (1) of section 92D and to be furnished in terms of sub-section (4) of section 92D.”*



## OTHER UPDATES

### ***1. Government rescinds the Notification No. 4/2017 dated 23rd August, 2017 relating to Gems and Jewellery sector; Another notification will be issued separately in due course.***

The Government has received representations from various Associations in the Gems and Jewellery sector with respect to certain incongruities in Notification No. 4/2017 dated 23rd August, 2017, wherein dealers in precious metals, precious stones and other high value goods were notified as person carrying on designated business and professions under the Prevention of Money-Laundering Act, 2002. After considering various aspects of the issue, the Government has decided to rescind the said notification.

A separate notification after due consideration of points raised and wider stakeholder consultation in this regard, shall be issued in due course.

### ***2. DGFT makes amendment to Re-Export / Repair / Replacement of Capital Goods Imported under EPCG Scheme) of the Handbook of Procedures (HBP) of FTP 2015-20***

The Director General of Foreign Trade has made amendments in Para 5.25 (Re-Export / Repair / Replacement of Capital Goods Imported under EPCG Scheme) of the Handbook of Procedures (HBP) of FTP 2015-20, with immediate effect. As per the amendments, Capital Goods imported under EPCG Scheme, may be re-exported for repairs abroad within three years from the date of clearance by Customs of such goods, with permission of RAI Customs Authority. The duty component on the expenditure incurred on the repairs as well as the insurance and the freight, both ways shall be taken into account for re-fixation of the EO. All other contents of Para 5.25 remain unchanged.

[http://dgft.gov.in/Exim/2000/PN/PN17/P.N.29%20\(Eng.\).pdf](http://dgft.gov.in/Exim/2000/PN/PN17/P.N.29%20(Eng.).pdf)

### ***3. DIPP launches a scheme of budgetary support under Goods and Service Tax Regime to the units located in States of Jammu & Kashmir, Uttarakhand, Himachal Pradesh and North East***

Department of Industrial Policy and Promotion has launched a Scheme of budgetary support under Goods and Service Tax Regime to the units located in States of Jammu & Kashmir,

Uttarakhand, Himachal Pradesh and North East including Sikkim for a residual period for which each of the units is eligible, a new scheme is being introduced. The new scheme is offered, as a measure of goodwill, only to the units which were eligible for drawing benefits under the earlier excise duty exemption/refund schemes but has otherwise no relation to the erstwhile schemes. The said Scheme shall come into operation w.e.f. 01.07.2017 for an eligible unit and shall remain in operation for residual period. The overall scheme shall be valid upto 30.06.2027. The budgetary support shall be disbursed from budgetary allocation of Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry.

<http://www.egazette.nic.in/WriteReadData/2017/179518.pdf>

### ***4. DoT simplifies the process for linking of Aadhaar with mobile number***

Ministry of Communication has introduced new OTP based option for consumer ease with two other convenient options. As per the new rules, the DoT has introduced three new methods to link the registered mobile number with Aadhaar i.e. OTP (One Time Password) based, App based and the IVRS facility. These new methods will help subscribers to get their mobile number linked to Aadhaar without visiting the stores of the telcos.

### ***5. Haryana Government, Law and Legislative Department notifies the Contract Labour (Regulation and Abolition) Haryana Amendment Act, 2016***

The Haryana Government, Law and Legislative Department has notified the Contract Labour (Regulation and Abolition) Haryana Amendment Act, 2016, in its application to the State of Haryana. The amendment is carried to change the applicability of the main legislation i.e The Contract Labour (Regulation and Abolition) Act, 1970 in the state of Haryana. After the amendment the provisions are applicable to every establishment in which Fifty (earlier twenty) or more workmen are employed or were employed on any day of the preceding twelve months as contract labour and to every contractor who employs or who employed on any day of the preceding twelve months Fifty (earlier twenty) or more workmen. Further proviso has been added to Registration clause that the



## OTHER UPDATES

appropriate Government may by notification in the Official Gazette, impose such further conditions, as may be deemed necessary, at the time of registration of an establishment for the proper administration of the Act and for prevention of misuse of employment of contract Labour.

[http://storage.hrlylabour.gov.in/uploads/labour\\_laws/Y2017/Oct/W4/D25/1508925002.PDF](http://storage.hrlylabour.gov.in/uploads/labour_laws/Y2017/Oct/W4/D25/1508925002.PDF)

# Glossary

AIFs	Alternative Investment Funds	MCA	Ministry of Corporate Affairs
CBDT	Central Board of Direct Taxes	MTN	Medium Term Notes
CBEC	Central Board of Excise & Customs	MDR	Merchant Discount Rate
CGST	Central Goods and Service Tax	MoU	Memorandum of Understanding
CRC	Central Registration Centre	NCLAT	National Company Law Appellate Tribunal
DB	Dissemination Board	NCLT	National Company Law Tribunal
DSEs	Designated Stock Exchanges	NBFC	Non Banking Financial Company
DoFS	Department of Financial Services	PAN	Permanent Account Number
DRT	Debt Recovery Tribunal	RBI	Reserve Bank Of India
DRAT	Debt Recovery Appellate Tribunal	ROC	Registrar of Companies
ECB	External Commercial Borrowings	RDBs	Rupee Denominated Bonds
ELCs	Exclusively Listed Companies	RDDDBFI	Recovery of Debts due to Banks and financial institutions Act
FCCB	Foreign Currency Convertible Bond	SEBI	Securities and Exchange Board of India
FDI	Foreign direct investment	SFIO	Serious Fraud Investigation Office
FPI	Foreign Portfolio Investors	SICA	Sick Industrial Companies (special provision) Act
GST	Goods and Services Tax	SFT	statements of financial transactions
GIC	GST Implementation Committee	TRAI	Telecom Regulatory Authority of India
IGST	Integrated Goods and Services Tax	UTGST	Union Territory Goods and Service Tax
ITC	Input tax Credit	IBBI	Insolvency and Bankruptcy Board of India
ITR	Income Tax Return	IUs	information utilities
IBC	Insolvency and Bankruptcy Code	KYC	the know-your-customer
IPs	Insolvency Professionals		



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