

# Tax & Corporate law Bulletin

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## From the Editor's Desk...

Dear Reader,

Greetings for the season,

*The last date for e-filing income-tax returns this year has been extended to August 5. The original deadline for filing income tax returns for FY 2016-17 (AY 2017-18) was July 31, 2017. The extension is a welcome relief for a large number of tax payers struggling to meet the deadline in the face of various problems.*

*While extending the deadline for filing ITR, the government has also provided relief to people by allowing them to file their returns without linking of PAN ..and read many more ...*

We eagerly await your feedback on the bulletin.

Yours truly,

**Rajput Jain & associates**

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August 2017

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“Adapting swiftly to the  
global business environment”



## DIRECT TAX



### ➤ **Amendment to MAT Audit Report Form No 29B for Ind AS related adjustments where financial statements of company are drawn up as per Ind-As**

Central Board of Direct tax (CBDT) vide notification dated Aug 18, 2017 has released new Form No. 29B for reporting calculations of book profit for MAT provisions under section 115JB. In addition to the requirement to report on the accounting policies, accounting standards for preparing financial statement for the period where financial year of the company is not same as the previous year as required in old form, the new form incorporates two new parts Part B and Part C. Part B of the form is applicable only where the financial statements of the company are drawn up in compliance with the Ind AS specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS Rules) for the Previous Year (PY) or any part thereof. Part C of the form is also applicable only where the financial statements of the company are drawn up in compliance with the Ind AS specified in Annexure to the Ind AS Rules for the PY or any part thereof. However, this part will be filled up for the year of convergence and each of the following four PYs only.

### ➤ **Bonds issued by Indian Railway Finance Corporation Limited notified as „long term specified asset“ for sec 54EC**

CBDT has vide notification dated Aug 8, 2107 notified bond redeemable after three years and issued by the Indian Railway Finance Corporation

Limited, as „long-term specified asset“ for the purposes of the Sec 54EC. Investment of up to Rs. 50 lakh in these bonds shall enable the assessee to claim exemption from long term capital gain subject to fulfillment of other condition specified under this section.

### ➤ **Extension of date for filing of Income Tax Returns**

There are some complaints that the taxpayers are not being able to log on to the e-filing website of Income Tax Department or not being able to link Aadhaar with PAN because of different names reflected in PAN and Aadhaar database. While technical snags have been removed already, the main reason for failure of people to log in is because of last minute rush and panic in which those who have already logged in want to continue for the entire period for fear of losing it. In order to ease out the panic situation, the Government has decided to take the following steps:

1. For the purpose of e-filing return, it would be sufficient as of now to quote Aadhaar or acknowledgement No. for having applied for Aadhaar in e-filing website. The actual linking of PAN with Aadhaar can be done subsequently, but any time before 31st August, 2017. However, the returns will not be processed until the linkage of Aadhaar with PAN is done.

2. In order to facilitate the e-filing of return, it is also decided to give extension of five days for e-filing of return. The return can be filed upto 5th August, 2017.

## RECENT JUDGEMENTS



- **Penalty u/s 271AAA cannot be levied on undisclosed Income for which AO did not put a specific query to assessee**

***Principal CIT (Central) Vs M/S Emirates Technologies Pvt. Ltd. (Delhi High Court)***

The Revenue is in appeal against the order dated 28th October, 2016 passed by the Income Tax Appellate Tribunal in ITA NO. 476/Del./2014 for Assessment Year ('AY') 2010-2011.

The question sought to be urged by the Revenue is whether the ITAT erred in law in confirming the order of the Commissioner of Income Tax (Appeal) [CIT(A)] deleting the penalty imposed upon the Respondent Assessee under Section 271AAA of the Income Tax Act, 1961.

The CIT(A) in para 4.7 of the order dated 4th November, 2013 noted that no specific query had been put to the Assessee by drawing his attention to Section 271 AAA of the Act asking him to specify the manner in which the undisclosed income, surrendered during the course of search, had been derived. The CIT (A), therefore, relying on the decisions of this Court held that the jurisdictional requirement of Section 271AAA was not met.

The above view has been concurred with by the ITAT.

In the facts and circumstances of the case, the Court is of the view that the concurrent decision of the CIT(A) and the ITAT represent a plausible view which cannot be said to be perverse.

No substantial question of law arises for consideration.

The appeal is accordingly dismissed.

- **Right of appeal U/s. 260A is a substantive right and cannot be impaired by any subsequent legislation.**

***K Raveendranathan Nair Vs. Commissioner Of Income Tax &Anr. (Supreme Court of India)***

Right of appeal is not a matter of procedure and that it is a substantive right. It is also recognized that this right gets vested in the litigants at

the commencement of the lis and, therefore, such a vested right cannot be taken away or cannot be impaired or imperilled or made more stringent or onerous by any subsequent legislation unless the subsequent legislation said so either expressly or by necessary intendment. An intention to interfere with or impair or imperil a vested right cannot be presumed unless such intention be clearly manifested by express words or by necessary implication.

- **Treatment of bad debts for computation of book profit u/s 115JA/JB**

***CIT Vs Vodafone Essar Gujarat Ltd (Gujarat High Court)***

Prior to the introduction of clause(i) to the explanation to section 115JB, as held by the Supreme Court in case of HCL Comment Systems and Services Ltd. (supra), the then existing clause (c) did not cover a case where the assessee made a provision for bad or doubtful debt. With insertion of clause (i) to the explanation with retrospective effect, any amount or amounts set aside for provision for diminution in the value of the asset made by the assessee, would be added back for computation of book profit under section 115JB of the Act. However, if this was not a mere provision made by the assessee by merely debiting the Profit and Loss Account and crediting the provision for bad and doubtful debt, but by simultaneously obliterating such provision from its accounts by reducing the corresponding amount from the loans and advances on the asset side of the balance sheet and consequently, at the end of the year showing the loans and advances on the asset side of the balance sheet as net of the provision for bad debt, it would amount to a write off and such actual write off would not be hit by clause (i) of the explanation to section 115JB.

- **ITAT explains theory of 'preponderance of probability', rejection of books and best judgment assessment**

***M/s. GTC Industries Limited Tobacco House, Vs ACIT (ITAT Mumbai)***

The aforesaid appeals have been filed by the assessee against separate impugned orders dated 30.07.1993 and even date of 14.01.1994, passed by learned CIT(Appeals), Mumbai for the quantum of assessment passed u/s.143(3) for the assessment years 1984-85; 1985-86; and 1986-87 respectively.

Since the issues involved in all the appeals are common arising out of the identical set of facts, therefore, same were referred together and are being disposed of by way of this consolidated order.

As a prelude, it would be relevant to refer to the chequered history of the impugned appeals especially the appeal for the Assessment Year 1984-85, which is the base year wherein issues have been discussed threadbare and will have permeating effect in the appeals of the other years

➤ **Sec. 194J TDS not deductible on Payments for SMS Services.**

*CIT (TDS) Vs Bajaj Allianz Life Insurance Co. Ltd. (Bombay High Court)*

These appeals pertain to Assessment Years 2007-08 and 2008-09.

Mr. Singh, learned Counsel for the appellant submits that the Tribunal was not justified in law to hold that the provisions of Section 194J is not applicable in respect of the payments made to M/s. Valuefirst Messaging Pvt. Ltd. for providing SMS services as well as technical support services, more particularly, when the service agreement between the assessee and M/s. Valuefirst Messaging Pvt. Ltd. provided for imparting training to a technical team designated by the assessee and further M/s. Valuefirst was entrusted with responsibility to ensure that the SMS service works in accordance with the agreed functionality / description and conforms to the stated service level agreement. The learned Counsel submits that the Tribunal has not properly considered the said aspect and has arrived at erroneous conclusion.

The learned Counsel for the respondent supports the judgment.

It has been observed by the Tribunal that M/s. Valuefirst Messaging Pvt. Ltd. is merely assisting the assessee in sending SMS messages to its customers. The preamble of the agreement between the assessee and M/s. Valuefirst Messaging Pvt.

Ltd. itself describes that M/s. Valuefirst Messaging Pvt. Ltd. is a company engaged in providing mobile messaging solutions to carry data over mobile network using its mobility platform. There is no technical or professional services, which can be said to have been offered by M/s. Valuefirst Messaging Pvt. Ltd. The judgment of the Apex Court in a case of Director of Income Tax (International Taxation) V/s. A.P. Moller Maersk A/S reported in (2017) 392 ITR 186 and another judgment of the Apex Court in a case of Commissioner of Income Tax Vs. Kotak Securities Ltd. reported in (2016) 383 ITR 1 has considered that such a service and charges paid, as not fees for technical services and no liability of direct tax of such liability arises.

In the light of the above, no substantial question of law arises. The appeals are dismissed. No costs.

➤ **Taxability of Interest on interim compensation received pending final disposal by HC**

*Smt. Premlata Purshottam Paldiwal Vs CIT, (Bombay High Court- Nagpur Bench)*

Bombay High Court held that Interest on interim compensation received pending final disposal by the High Court is income if there is no direction given by the Court. The source of funds to earn income cannot determine the taxability of the income earned on the capital amount which has been invested. This in the absence of any statutory mandate otherwise. The income earned would be chargeable to tax irrespective of the source of the funds from which the income has been earned. In the mercantile system of accounting, income accrues when the right to receive the same arises, even though the actual receipt could be at a later date. In the present case it is an accepted position that the right to receive the interest from the fixed deposits already accrued to the appellant assessee.

In such circumstances, the interest on the fixed deposit would be chargeable to tax, as sought to be done by the Assessing Officer under the head income from other sources.

## INDIRECT TAX

## GOODS AND SERVICES TAX



➤ **Extension in filing GST CMP – 03**

GST CMP – 01 form is required by the provisionally registered assessee to file their intimation to the government that they are willing to pay tax under the composition scheme/levy. They shall furnish the details of stock, including the inward supply of goods received from unregistered persons, held by them on the day preceding the date from which they opt to pay tax under the said section, electronically, in FORM GST CMP-03, within a period of sixty days from the date on which the option for composition levy is exercised. This period of sixty days is now extended to ninety days.

➤ **Form prescribed by Central Government for Application/Form for grant of Unique Identity Number (UIN) to UN Bodies/ Embassies/ others**

Vide notification no. 22/2017 central government has prescribed Form GST REG – 13 for application of UIN to UN bodies/Embassies/Others. The UIN shall be granted or rejected after due verification. These applicants shall be granted a Unique Identity Number in such manner and for such purposes, including refund of taxes on the notified supplies of goods or services or both received by them, as may be prescribed.

➤ **GST: No provisional refund of ITC if zero-rated supplier didn't file returns of 3 consecutive periods**

In exercise of the powers conferred by sub-section (6) of section 54 of the Jharkhand Goods and Services Tax Act, 2017 (12 of 2017)(hereafter in this notification referred to as “the said Act”), the

State Government, on the recommendation of the Goods and Services Tax Council, hereby notifies the following category of registered persons who shall not be eligible for refund of ninety per cent. of the total amount claimed as refund on account of zero rated supply of goods or services or both on a provisional basis, namely:-

- i. any registered person who has been granted registration under the said Act or under the existing law within a period of six months from the date of application for refund; or
- ii. any registered person who has not furnished the returns for three consecutive tax periods immediately preceding the date of application for refund.

2. This notification shall be deemed to be effective from 17th August, 2017.

➤ **MGST- Amendment to Notification No. 13/2017- State Tax (Rate) to amend RCM provisions for GTA and to insert explanation for LLP**

MAHARASHTRA GOODS AND SERVICES TAX ACT, 2017.

No. MGST-1017/C.R.140(C)/ Taxation-1.— In exercise of the powers conferred by sub-section (3) of section 9 of the Maharashtra Goods and Services Tax Act, 2017 (XLIII of 2017), the Government of Maharashtra on the recommendations of the Council, hereby makes the following amendments in Government Notification of the Finance Department, No. **MGST-1017/C.R.-103(12)/Taxation.-1 [No. 13/2017- State Tax (Rate)], dated the 29th June 2017**, published in the Maharashtra Government Gazette, Part IV-B, Extra-Ordinary No. 182 dated the 29th June 2017, namely :—

In the said notification,—

(1) in the Table, against Serial Number 1, in column (2), after the words and brackets “goods transport agency (GTA)” the words and figure “, who has not paid state tax at the rate of 6%,” shall be inserted ;

(2) in the Explanation, after clause (d), the following clause shall be inserted, namely :—

“ (e) A “Limited Liability Partnership” formed and registered under the provisions of the Limited

Liability Partnership Act, 2008 (6 of 2009) shall also be considered as a partnership firm or a firm.”.

By order and in the name of the Governor of Maharashtra,

➤ **MGST: Extension of time limit for submission of GSTR-2**

MAHARASHTRA GOODS AND SERVICES TAX ACT, 2017.

No. JC(HQ)-1/GST/2017/Noti/18/ADM-8.—In exercise of the powers conferred by the first proviso to sub-section (2) of section 38 read with section 168 of the Maharashtra Goods and Services Tax Act, 2017 (XLIII of 2017) (hereinafter referred to as the “said Act”), the Commissioner, on the recommendations of the Council, hereby extends the time limit for furnishing the details as specified in sub-section (2) of section 38 of the said Act for the month as specified in column (2) of the Table below, within the period as specified in the corresponding entry in column (3) of the said Table, namely :—

Sr. No.	Month	Time period for filing supplies in FORM GSTR-2
(1)	(2)	(3)
1.	July, 2017	6th to 10th September, 2017
2.	August, 2017	21st to 25th September, 2017.

➤ **Timeline for applying for cancellation of registration extended**

The Central Government vide notification no.17/2017 has extended the period for applying for cancellation of registration under GST. Earlier the person registered under earlier law and not required to register under GST law were required to apply for cancellation by July 30, but now after the grant of extended period application for cancellation of registration can be made on or before Sept 30, 2017.

➤ **Adoption of rate of exchange as prescribed under Customs Act for valuation of import/exports under GST**

For determination of transaction value of goods imported into or exported from India, the rate of exchange of currency, other than Indian currency, shall be the applicable rate of exchange as notified by the Board under section 14 of the Custom Act. For determination of transaction value of the restored pilfered imported goods, the rate of exchange of currency, other than Indian currency, shall be the applicable rate of exchange determined as per the generally accepted accounting principles.

➤ **Revised GST rates**

On Aug 22, 2017 Central Government issued notification revising the rates of CGST for no. of services and amended the notification No. 11/2017, dated June 28, 2017 issued earlier in this regard. As per the revised rate work contract in relation to specified projects and/or purpose shall be charged at 12% and for non-specified the GST rate shall be 18% with full input tax credit (ITC). Similarly, for transport of passengers by motor-cab (cost of fuel included), Services of GTA, Renting of motor-cab (cost of fuel included) etc. revised GST rates are issued with conditions on taking full ITC or no ITC.

➤ **Amendment in provisions related to Reverse Charge Mechanism (RCM) for Goods Transport Agency (GTA)**



**Composition Levy In GST**

As per the revised provisions for GTA under RCM, services provided by GTA shall be chargeable under RCM only if it has not paid GST. If GST is already paid by GTA then such services shall be covered in forward charge. GST rate in such cases shall be 12%

➤ **Addition to Reverse Charge Mechanism in case of house-keeping services through Ecommerce operator**

As per the notification services by way of house-keeping, such as plumbing, carpentering etc, except where the person supplying such service through electronic commerce operator is liable for registration the tax on intra-State supplies shall be paid by the electronic commerce operator.

➤ **Clarification regarding GST on Selling of space for advertisement in print media**

Selling of space for advertisement in print media is leviable to GST @ 5%. If the advertisement agency works on principal to principal basis, that is, buys space from the newspaper and sells such space for advertisement to clients on its own account, that is, as a principal, it would be liable to pay GST @5% on the full amount charged by advertisement agency from the client. On the other hand, if the advertisement agency sells space for advertisement as an agent of the newspaper on commission basis, it would be liable to pay GST@ 18% on the sale commission it receives from the Newspaper. ITC of GST paid on such sale commission would be available to Newspaper. However, if the advertisement agency supplies any service other than selling of space for advertisement, such as designing or drafting the advertisement, and such supply is not a part of any composite supply, the same would be liable to tax @18%. If such supplies are part of any composite supply, the rate applicable for the principal supply shall apply. Therefore, everything depends on the terms of the contract between the newspaper, advertisement agency and the client.

➤ **Clarification on issues related to furnishing of Bond/Letter of Undertaking for Exports**

In order to put to rest variation in interpretation of Notification and Circulars issued regarding process of furnishing of Bond / Letter of Undertaking for exports, Central Government has clarified various issues such as Eligibility to export under LUT, Form for LUT, Time for acceptance of LUT/Bond,

Purchases from manufacturer and form CT-1, Transactions with EOUs, Forward inward remittance in Indian Rupee, Requirement of Bank guarantee, Jurisdictional officer and Documents for LUT.

## CORPORATE LAWS



➤ **Submission of Aadhaar as identity document by members of EPS**

Please refer to this office circular No. Pension-I/17(10)/2016-17/Jeevan Pramaan/28246 dated 31-01-2017 and circular No. Pension-I/17(10)/2016-17/ Jeevan Pramaan/2609 dated 04-05-2017 and circular No. Pension-I/17(10)/2016-17/ Jeevan Pramaan-Aadhar/4792 dated 05.06.2017 on the cited subject.

It is informed that Aadhaar No. would not be mandatory for International Workers as well as workers from Nepal and Bhutan. Further, submission of Aadhaar will be optional upto 30th September 2017 for those members who already have UAN prior to 1st July 2017 and has to go for re-registration. However, submission of verified Aadhaar will be mandatory for all such members from 1st October 2017.

➤ **IRDA Clarification on Aadhaar based e-KYC**

Authority vide circular dated 21st October, 2013 and AML Master Circular dated 28th September, 2015 allowed Aadhaar based e-KYC service offered by UIDAI for KYC verification.

It is hereby clarified that for accessing the details of the client from UIDAI for identification and authentication shall be with the consent of the client on a voluntary basis.

UIDAI has issued Aadhaar (Authentication) Regulations, 2016 inter alia prescribing the procedure for e-KYC authentication of Aadhaar Number.

4. In view of the above Regulations, Insurers shall perform the verification of the client through “e-



KYC authentication facility” provided by UIDAI i.e. authentication through biometric authentication (fingerprint or iris scanning) and/or through One Time password (OTP) received on client’s mobile number or on e-mail address registered with UIDAI.

The information downloaded from UIDAI shall be considered as sufficient information for the purpose of KYC verification.

In case material difference is observed either in the name or photograph in Aadhaar is not clear, the Insurer shall carryout additional due diligence and maintain a record of the additional documents sought pursuant to such due diligence.

The records of KYC information so received shall be maintained by the Insurers as per PML Rules, 2005 (amended from time to time) and the Authority’s Circular/Guidelines on AML/CFT.

This circular is issued in exercise of the powers conferred under Section 14 (1) of the IRDA Act, 1999.

#### ➤ **Company (Incorporation) Second Amendment Rules, 2017 notified**

Company (Incorporation) Second Amendment Rules, 2017 regarding shifting of registered office of the company, were notified by the Government on 27 July 2017. In case of shifting of registered office within the same state from jurisdiction of one Registrar of Companies to other Registrar of Companies, the requirement of publishing notice in the newspapers and serving individual notice to on each debenture holder, depositor and creditor, have been done away with. List of 5 documents to be filed with the application have been prescribed. Rules pertaining to shifting of Registered Office from one State or Union Territory to another State have also been changed. Form INC-23 (Application for shifting of registered office) and Form INC-26 (Advertisement to be published in the newspaper for change of registered office from one state to another) have been modified.

#### ➤ **Revised Secretarial Standards for Board and General Meetings published**

Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) were first made effective from 1 July , 2015. However,

because of several amendments/ exemptions and other relaxations notified by the Government to promote ease of doing business, the Secretarial Standards were revised by the Institute of Company Secretaries of India (ICSI) recently. • The revised SS-1 and SS-2 shall be applicable to all the companies (except the exempted class of companies) w.e.f. 1st October, 2017. Accordingly, all Board and General Meetings in respect of which Notices are issued on or after 1st October, 2017 need to comply with the revised SS-1 and SS-2. • The existing SS-1 and SS-2 will be applicable to the Board Meetings and General Meetings held on or before 30th September, 2017.

## RESERVE BANK OF INDIA



#### ➤ **Bank notes with writing or ink mark continue to be legal tender: RBI in RTI Reply**

Is there any circular from the Note Issue Department of RBI regarding the disqualification of small denomination coins as legal tender.

If anything is written by pen or any ink mark on new Rs. 500 and Rs. 2000 then will they ceased to be a legal tender. Kindly clarify in this matter.

Reply to RTI

The small coins up to 25 paise ceased to be legal tender with effect from June 30, 2011 in terms of Gazette Notification No. 2529 dated December 20, 2010.

Bank notes with writing or ink mark on them continue to be legal tender, however, bank notes

bearing religious or political messages will not be treated as eligible for exchange as per Note Refund Rules, 2009

### ➤ **Banking Regulation (Amendment) Act, 2017**

The following Act of Parliament received the assent of the President on the 25th August, 2017, and is hereby published for general information:—

#### THE BANKING REGULATION (AMENDMENT) ACT, 2017

it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

Short title and commencement.

This Act may be called the Banking Regulation (Amendment) Act, 2017

It shall be deemed to have come into force on the 4th day of May, 2017.

Insertion of new sections 35AA and 35AB.

*In the Banking Regulation Act, 1949 (hereinafter referred to as the principal Act), after section 35A, the following sections shall be inserted, namely:—*

Power of Central Government to authorize Reserve Bank for issuing directions to banking companies to initiate insolvency resolution process.

35AA. The Central Government may, by order, authorize the Reserve Bank to issue directions to any banking company or banking companies to initiate insolvency resolution process in respect of a default, under the provisions of the Insolvency and Bankruptcy Code, 2016.

*Explanation.*—For the purposes of this section, “default” has the same meaning assigned to it in clause (12) of section 3 of the Insolvency and Bankruptcy Code, 2016.

Power of Reserve Bank to issue directions in respect of stressed assets.

35AB. (1) Without prejudice to the provisions of section 35A, the Reserve Bank may, from time to time, issue directions to any banking company or banking companies for resolution of stressed assets.

The Reserve Bank may specify one or more authorities or committees with such members as the Reserve Bank may appoint or approve for appointment to advise any banking company or

banking companies on resolution of stressed assets.’.

Amendment of section 51.

In section 51 of the principal Act, in sub-section (1), after the figures and letter “35A,” the figures and letters “35AA, 35AB,” shall be inserted.

Repeal and savings.

The Banking Regulation (Amendment) Ordinance, 2017 is hereby repealed.

Notwithstanding such repeal, anything done or any action taken under the Banking Regulation Act, 1949 as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the said Act, as amended by this Act.

## POLICY WATCH



### ➤ **Delhi Police launches YUVA – a skill development programme**

Delhi Police has launched a skill development programme, YUVA, for the youth, under the Pradhan Mantri Kaushal Vikas Yojana.

The programme mainly aims to connect the police with the youth, by skilling young talent. It will help the youth get employment under the Pradhan Mantri Kaushal Vikas Yojana, in addition to improving the image of the police among the youth, and establishing trust.

The selected youth will be given mass job-linked skill training by the National Skill Development Corporation (NSDC) and the Confederation of Indian Industry (CII). While NSDC will provide skill training, the CII will provide them job-linked training through its Sector Councils, which are

connected to industry and thereby capable of providing job guarantee.

A detailed exercise had been conducted in all 13 districts under the Delhi Police to select the youth in the age group of 17 to 25, for the training. The identified youths comprise school dropouts, juvenile offenders, victims of crime and members of families in dire state due to incarceration of their bread earners, mostly from the underprivileged colonies.

As of now, 2269 youths have been selected, to be trained in 45 skills by 36 training partners in the next three months, within the police station building itself. Police stations have been selected for the same.

Inaugurating the programme, the Union Home Minister Shri Rajnath Singh said that the initiative will help improve the image of the police. He further adds that apart from core policing, it is important that the police adopt people-friendly measures to build trust and confidence among the common masses. He urged that the police should engage with the youth, who are prone to drug addiction and other crimes.

This initiative will increase the social interaction of the police with the youth, and will also go a long way in helping build a positive image of the police.

➤ **The Vice President of India Venkaiah Naidu today launched the National Sports Talent Search Portal**



The Vice President of India Venkaiah Naidu today launched the National Sports Talent Search Portal, a government initiative to unearth sporting talent from every nook and corner of the country.

Under the initiative, a child or his parents, teachers or coaches can upload his bio data or video on the portal. The Sports Ministry will select talented players and impart training to them at Sports Authority India centres.

Prime Minister Narendra Modi yesterday made a mention of the portal launch during his 'Man kiBaat' radio programme.

➤ **“Tele-Law” scheme launched in Bihar**



**TELE-LAW**  
 FREE LEGAL CONSULTATION  
 THROUGH CSC'S

REPRESENTATIVE IMAGE

The Centre in association with the National Legal Service Authority (NALSA) today launched ‘Tele-Law’ scheme in Bihar with an aim to provide an opportunity for the common man to access legal aid easily. Under the scheme, villagers can have access to legal consultation with the help of para legal volunteers at Common Service Centre (CSC) which will be equipped with computers and Internet facility.

A person in need of legal aid can get the consultation through video-conferencing at a CSC from empanelled lawyers of district and state legal service authority. Rs 30 will be charged for the legal consultation, but in the case of BPL people, this amount would be returned to their account.

The Tele-Law scheme was launched in the presence of Supreme Court Justice Dipak Misra, who is also executive chairman of NALSA, Union Law and Justice and IT minister Ravi Shankar Prasad and Bihar Chief Minister Nitish Kumar.

The scheme would help poor people in getting legal aid easily. The services of the Right of Public Service Act and Public Grievance Redressal Act will be available at CSCs.

Besides, various other services like making Aadhaar card, PAN, applying for passports, reservation of train berths and bill payments can be done from CSCs, Prasad said. The scheme was already launched in Uttar Pradesh, Assam and Jammu and Kashmir, he said.

## INDUSTRY WATCH &CORPORATE HIGHLIGHT



### ➤ Reliance new JioPhone launched

At the recent Annual General Meeting of Reliance, RIL's directors Akash and IshaAmbani took the stage to showcase the features of the much-awaited JioPhone. The brand will basically be offering the phone free, albeit with aRs 1,500 deposit which will be refunded after three years – to avoid any misuse. The JioPhone's trial run will start on August 15th and it will go on pre-booking starting August 24th. Since the phone is a basic device, there is not much to its spec sheet. With some impressive features and support for 4G VoLTE, Reliance is aiming to bridge the digital divide with its 'India ka smartphone'. It comes with a 2.4-inch colour display, a T9 keypad, a textured back panel and a dedicated torchlight, plus support for voice commands. Besides these, it also offers NFC for digital payments, support for 22 Indian languages and an FM radio.

### ➤ Samsung heir released from prison following bribery scandal



Jay Y Lee(Samsung vice president), 49, has spent a year behind bars amid a political scandal that has gripped South Korea, resulting in the impeachment of its former President Park Geun-hye.

His sentencing confirmed what had long been suspected: links between the nation's most successful and renowned company and the country's government.

Mr Lee, who took over the running of the company after his father suffered a heart attack in 2014, was last year charged with bribery, embezzlement hiding assets overseas along with four Samsung executives. He was also convicted of perjury.

But after being detained for less than one year, the Seoul High Court has replaced the five year term with a suspended prison sentence of two years and six months. Mr Lee said he plans to appeal again to clear his name of all the convictions.

Leaving a Seoul detention centre where he picked up his belongings, Lee stood in front of reporters to read out a statement in which he apologised for "not showing my best side".

"The past year has been a really valuable time of looking back on myself," he added.

It has been a tumultuous two years for Samsung Electronics, its most valuable business division, thanks to a major product recall and a shakeup among higher ranks.

The company scrapped its premium Galaxy Note 7 smartphone two months after it was launched because they were bursting into flames. An investigation found that the phone's batteries were to blame.

One year later, in October 2017, chief executive Kwon Oh-hyun stood down, describing the company as being in a state of "unprecedented

crisis". The board appointed three executives to take his place, each heading up the smartphone, consumer electronics and chip division.

➤ **Committee constituted to draft a Data Protection Bill**

The Ministry of Electronics and Information Technology constituted a Committee of experts to deliberate on a data protection framework. The Committee will be headed by Justice B. N. Srikrishna and consists of members from government, academia, and industry. The Committee will study key issues with respect to data protection, and recommend methods to address them. The Committee will also suggest a draft Data Protection Bill.

➤ **The Motor Vehicles (Amendment) Bill, 2016 referred to Select Committee**



The Motor Vehicles (Amendment) Bill, 2016 was referred to a Rajya Sabha Select Committee. The Motor Vehicles (Amendment) Bill, 2016 was introduced in Lok Sabha on August 9, 2016. The Bill amends the Motor Vehicles Act, 1988 to address issues around road safety. The Standing Committee on Transport, Tourism and Culture had examined the Bill and submitted its report on February 8, 2017. Following that a few amendments to the Bill were circulated in April 2017. Lok Sabha passed the Bill, with these amendments, on April 10, 2017. Key features of the Bill, as passed by Lok Sabha, include: Road Safety Board: The Bill provides for an National Road Safety Board, to be created by the central government through a notification. The Board will provide advice to central and state governments on all aspects of road

safety and traffic management, including: (i) standards of design, operation and maintenance of motor vehicles, (ii) registration and licensing of vehicles, (iii) standards for road safety, road infrastructure and control of traffic, (iv) promotion of new vehicle technology, and (v) safety of vulnerable road users. Motor Vehicle Accident Fund: The Bill requires the central government to constitute a Motor Vehicle Accident Fund. The Fund will be utilised for: (i) treatment of persons injured in road accidents, (ii) compensation to representatives of a person who died in a hit and run accident, and (iii) compensation to a person grievously hurt in a hit and run accident, in accordance with schemes framed by central government

➤ **CAG submits report on loans to independent power producers by REC and PFC**



➤ The Comptroller and Auditor General of India (CAG) submitted a compliance audit report on the Loans to Independent Power Producers (IPPs) by Rural Electrification Corporation Limited (REC) and Power Finance Corporation Limited (PFC). The audit reviewed the loans disbursed between 2013-14 and 2015-16. Key observations and recommendations of the audit report include: Appraisal of loan proposals: The CAG observed that REC and PFC did not conduct appropriate due diligence while examining the credit worthiness of the loan applicant. They deviated from their internal

guidelines and also did not conform to the Reserve Bank of India (RBI) guidelines on credit appraisal. Further, the experience and ability of the promoters/borrowers to develop the projects was not assessed objectively. This resulted in delayed completion of projects, and consequent cost overruns. CAG also noted that the financial capacity of the promoter to bring in equity for the project was not adequately assessed. For example, nine projects had to be restructured multiple times. This increased the interest during Monthly Policy Review – August 2017 PRS Legislative Research -19- construction by Rs 13,313 crore in six loan cases and resulted in NPAs of Rs 3,038 crore in three loan cases. CAG recommended that the existing appraisal norms may be revisited to assess the financial and technical capabilities of the promoters. Further, compliance with internal guidelines and RBI norms may be ensured at every stage. Adjustment of loans: The CAG observed that for certain loans REC adjusted the interest during construction. Further, even though no repayment was made by the borrower as per the loan servicing schedule, this was not reflected in the loan account. If the interest had not been adjusted, these loan accounts would have become NPAs in 2013 itself. At the end of 2015-16, gross NPAs of Rs 11,763 crore for IPP loans were recognized in the books of accounts of both REC and PFC. CAG recommended that loan monitoring mechanisms may be strengthened to ensure that: (i) loans disbursed are used for the specific purpose for which they have been sanctioned, and (ii) incidents of diversion of loan funds are eliminated.

#### ➤ **Taskforce on Artificial Intelligence for Economic Transformation constituted**

The Ministry of Commerce and Industry constituted a Taskforce on Artificial Intelligence for Economic Transformation.<sup>77</sup> The Taskforce will be chaired by Dr V. Kamakoti, and comprise experts, academics, and industry leaders in the field of artificial intelligence. The Taskforce will explore possibilities to leverage artificial intelligence for development across various fields. Artificial intelligence is the use of computing to replicate human intelligence (e.g., driverless cars).

#### ➤ **TRAI releases a consultation paper on privacy, security and ownership of data**



The Telecom Regulatory Authority of India (TRAI) released consultation paper on privacy, security, and ownership of data in telecom sector. Comments have been invited on the paper until September 8, 2017. TRAI noted that data collection, storage and analytics have become widely used tools that allow businesses to promote their products and services. At the same time, data allows government in efficient delivery of services and prevention and handling of crimes. In this context, there is a need for government intervention with respect to the following issues

Consumers are not aware of the value of their personal data, and the extent to which it may be used. Consumers underestimate the long-term consequences while consenting to share their personal information in the course of availing products or services. Financial institutions (such as email and social networking platforms) generate and hold data, through process of delivering service. This gives them an advantage to use the data. In this context, TRAI seeks consultation on: Whether data protection requirements are uniformly applicable to all online financial institutions; If there is a need for the consent of a consumer for sharing their data for commercial purposes; and Measures needed to empower consumers to possess control over their personal data.

### Statutory compliance calendar for the month of August 2017

Due Date	Statutory Compliance Under Act	Particulars	Governing Authority
			
<b>7/08/2017</b>	TDS	The due date for deposit of Tax collected/ deducted for the month of July, 2017. However, all sum collected/deducted by an office of the government shall be paid to the Central Government on the same day of transaction where tax is paid without production of an Income-tax Challan.	INCOME TAX
<b>13/08/2017</b>	GSTR-6	Input Service Distributor Return for July, 2017 (Section 20)	GOODS AND SERVICES TAX
<b>14/08/2017</b>	TDS	The due date for issue of TDS Certificate for tax deducted in the month of June, 2017 - under section 194-IA.	INCOME TAX
<b>15/08/2017</b>	Monthly ECR	The Employees' Provident Funds & MP Act 1952 (Provident Fund)	PROVIDENT FUND
<b>16/08/2017</b>	FORM 24G	The due date for furnishing of Form 24G by an office of the Government where TDS for the month of July, 2017 has been paid without the furnishing of a challan.	INCOME TAX
<b>16/08/2017</b>	TDS CERTIFICATE	The quarterly TDS certificate (with regard to tax deducted for payments other than salary) for the quarter ending June 30, 2017.	INCOME TAX
<b>20/08/2017</b>	GSTR-3B	Monthly Return* For July, 2017 GSTR-3B	GOODS AND SERVICES TAX
<b>21/08/2017</b>	Monthly ECR	The Employees' State Insurance Act 1948 (ESIC)	ESIC
<b>30/08/2017</b>	TDS	The due date for producing the challan/statement with regard to tax deducted under Section 194-IA in the month of July, 2017.	INCOME TAX

**Glossary**

<b>AAR</b>	Authority of Advance Rulings
<b>ADR</b>	American Depository Receipt
<b>ALP</b>	Arm's Length Price
<b>AO</b>	Assessing Officer
<b>AP</b>	Association of Persons
<b>APA</b>	Advance Pricing Agreement
<b>ATM</b>	Automated Teller Machine
<b>AY</b>	Assessment Year
<b>BCD</b>	Basic Customs Duty
<b>BI</b>	Body of Individuals
<b>BP</b>	Balance of Payments
<b>CA</b>	Chartered accountant
<b>CAD</b>	Current Account Deficit
<b>CBDT</b>	Central Board of Direct Taxes
<b>CBEC</b>	Central Board of Excise & Customs
<b>CENVAT</b>	Central Value Added Tax
<b>Customs Act</b>	Customs Act, 1962
<b>CIT</b>	Commissioner of Income Tax
<b>CPI</b>	Consumer Price Index
<b>CSR</b>	Corporate Social Responsibility
<b>CD</b>	Countervailing Duty
<b>DDT</b>	Dividend Distribution Tax
<b>DTA</b>	Domestic Tariff Area
<b>ECB</b>	External Commercial Borrowings
<b>ESI</b>	Employee's state insurance
<b>FDI</b>	Foreign Direct Investment
<b>FEMA</b>	Foreign Exchange Management Act
<b>FERA</b>	Foreign Exchange Regulation Act
<b>FII</b>	Foreign Institutional Investors
<b>FIPB</b>	Foreign Investment Promotion Board
<b>FPI</b>	Foreign Portfolio Investment
<b>FTS</b>	Fees for Technical Services
<b>FY</b>	Financial Year
<b>GDP</b>	Gross Domestic Product
<b>GDR</b>	Global Depository Receipt
<b>GI</b>	GOVERNMENT OF INDIA
<b>GST</b>	Goods and Services Tax
<b>HUF</b>	Hindu Undivided Family
<b>ICAI</b>	Institute of chartered accountant
<b>IFRS</b>	International Financial Reporting Standard
<b>IDR</b>	Indian Depository Receipt
<b>IIP</b>	Index of Industrial Production
<b>IRDA</b>	Insurance Regulatory Development Authority
<b>ITR</b>	Income tax return

<b>LCD</b>	Liquid-crystal Display
<b>MP</b>	Madhya Pradesh
<b>MP</b>	Market price
<b>MF</b>	Mutual fund
<b>MSME</b>	Micro Small and Medium Enterprises
<b>NBFC</b>	Non Banking Finance Company
<b>NHAI</b>	National Highway Authority of India
<b>NPS</b>	National Pension Scheme
<b>NRI</b>	Nonresident in India
<b>NABARD</b>	National Bank for Agriculture and Rural Development
<b>OEM</b>	Original Equipment Manufacturer
<b>OET Act</b>	Odessa Entry Tax Act, 1999
<b>PSU</b>	Public Service Undertakings
<b>P&amp;L</b>	Profit & loss
<b>PF</b>	Provident fund
<b>POTR</b>	Point of Taxation Rules
<b>QE</b>	Quantitative Easing
<b>QFI</b>	Qualified Foreign Investor
<b>RBI</b>	Reserve Bank of India
<b>REF</b>	Renewable Energy Fund
<b>REIT</b>	Real Estate Investment Trust
<b>Rules</b>	Income-tax Rules, 1962
<b>SA</b>	Standard on Auditing
<b>SAD</b>	Special Additional Duty
<b>SC</b>	Scheduled Caste
<b>SC</b>	Supreme Court
<b>SEBI</b>	Securities and Exchange Board of India
<b>SEZ</b>	Special Economic Zone
<b>ST</b>	Scheduled Tribes
<b>ST</b>	Service Tax
<b>STP</b>	Software Technology Park
<b>STR</b>	Service Tax Rules
<b>STCG</b>	Short Term Capital Gain
<b>TIN</b>	Transaction identification number
<b>TNNM</b>	Transactional Net Margin Method
<b>Tribunal</b>	Income tax Appellate Tribunal
<b>TDS</b>	Tax Deducted at Source
<b>TPO</b>	Transfer Pricing Officer
<b>TED</b>	Terminal Excise Duty
<b>VAT</b>	Value Added Tax
<b>VCC</b>	Venture Capital Companies
<b>VCF</b>	Venture Capital Fund
<b>WPI</b>	Wholesale Price Index
<b>WT</b>	Wealth tax
<b>WB</b>	World bank



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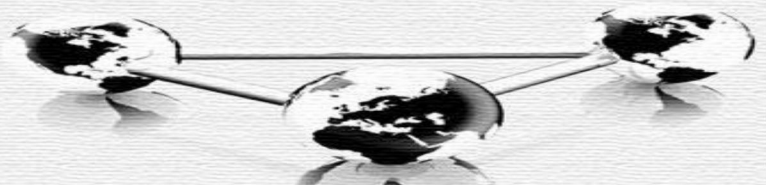
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