

Tax & Corporate law Bulletin

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APRIL 2014

From the Editor's Desk...

Dear Reader,

Greetings for the season.

With the wishes of Peace and Joy we are glad to put this edition for our reader on the significant updates as ... Government launches company law settlement scheme, Money Transfer Service Scheme (MTSS) – 'Direct to Account' facility, Election commission allows RBI to announce new bank licences, and read many more...

We eagerly await your feedback on the bulletin.

Yours truly,

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GLOSSARY

“Adapting swiftly to the
global business environment”



DIRECT TAX

- **Section 90 of the Income-tax Act, 1961 – Double taxation agreement – Agreement for avoidance of double taxation and prevention of fiscal evasion with foreign countries.**

Notification No. 12/2014 [F.No. 503/02/1997-FTD-I]/so 663(e), dated March 5th, 2014

An Agreement was entered into between the Government of the Republic of India and the Government of the Republic of Latvia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, which was signed at New Delhi on the 18th day of September, 2013 (hereinafter referred to as the said Agreement). The date of entry into force of the said Agreement is the 28th day of December, 2013, being the date of later of the notifications of the completion of the procedures required by the respective laws for entry into force of the said Agreement, in accordance with paragraph 2 of Article 30 of the said Agreement.

The sub-paragraph (a) of paragraph 3 of Article 30 of the said Agreement provides that the provisions of the said Agreement shall have effect in India in respect of income derived in any fiscal year beginning on or after the first day of April next following the calendar year in which the said Agreement enters into force. Now, therefore, in exercise of the powers conferred by section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that all the provisions of said Agreement between the Government of the Republic of India and the Government of the Republic of Latvia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, as set out in the Annexure given effect to in the Union of India with effect from the 1st day of April, 2014.

- **Section 90 of the Income-tax Act, 1961 – Double taxation agreement – Agreement for avoidance of double taxation and prevention**

of fiscal evasion with foreign countries – Romania

Notification No. 13/2014 [F.No. 501/10/1995-FTD-I]/so 680(e), dated March 5th, 2014



An Agreement between the Republic of India and Romania, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was signed at New Delhi on the 8th day of March, 2013 (hereinafter referred to as the said Agreement). The date of entry into force of the said agreement is the 16th day of December, 2013, being the date of later of the notifications of completion of the procedures as required by the respective laws for entry into force of the said Agreement, in accordance with paragraph 1 of Article 30 of the said Agreement. Now, therefore, in exercise of the powers conferred by section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that all the provisions of said Agreement between the Republic of India and Romania for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, as set out in the Annexure hereto, shall be given effect to in the Union of India with effect from the 16th day of December, 2013.

- **Section 119 of the Income-tax Act, 1961 – Income-tax authorities – Instructions to subordinate authorities – Extension of last date for payment of advance tax for F.Y. 2013-14 Order [F.No. 385/8/2013-IT (B)], dated March 14th, 2014**

In exercise of power conferred under sec. 119(2)(a) of the Income-tax Act, 1961, the Central Board of Direct Taxes has decided to extend the last date of payment of the March Quarter Installment of Advance Tax for the financial year 2013-14, from March 15th, 2014 to March 18th, 2014 for all the assessee.

- **Section 139d of the Income-tax Act, 1961 – Filing of return in electronic form – Extension of date for receipt of ITR-Vs in CPC, Bengaluru, for cases of A.YS. 2012-13 and 2013-14 received/e-filed in F.Y. 2012-13**

Press release, dated March 19th, 2014

There are many taxpayers who have uploaded their Income Tax Returns (without digital signature Certificate) for A.Y. 2012-13 [filed between April 1, 2012 and October 31, 2013] and for A.Y. 2013-14 [filed between April 1, 2013 and October 31, 2013], but have either not filed the corresponding ITR-V or have filed it with the local Income-Tax Office. ITR-V is accepted only at CPC, Bengaluru by ordinary or speed post.

Therefore an opportunity is being given to such taxpayers to regularize their Income-tax returns. All such taxpayers may mail the ITR-V, by March 31, 2014, by ordinary post or speed post at Post Bag No. 1, Electronic City Post Office, Bengaluru-560 100 (Karnataka). Taxpayers who have filed their ITR-V with the local Income-tax office may again mail their ITR-V to the CPC by March 31, 2014. Those taxpayers who have earlier mailed their ITR-V, but have not received the acknowledgement e-mail from the CPC, may mail their ITR-V to the CPC again.

Taxpayers may also note that without acknowledgement of the ITR-V from the CPC it would not be possible for the Income-tax

Department to process the Income-tax returns or issue any refunds there from, as these would be treated as not having been filed with the Department.

- **Section 90 of the Income-tax Act, 1961 – Double taxation agreement – Agreement for avoidance of double taxation and prevention of fiscal evasion with foreign countries – Sri Lanka**

Notification No. 23/2014 [F.No. 501/10/1995-FTD-I], March 28th, 2014

Agreement between the Government of the Republic of India and the Government of the Democratic Socialist Republic of Sri Lanka for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (hereinafter referred to as DTAA) signed in India on the 22nd day of January, 2013 shall enter into force on the 22nd day of October, 2013, being the date of the later of the notifications after completion of the procedures as required by the laws of the respective countries for the entry into force of DTAA, in accordance with Article 30 of the said DTAA. Now, therefore, in exercise of the powers conferred by section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that the provisions of DTAA annexed hereto shall be given effect to in the Union of India with effect from the 1st day of April, 2014.

RECENT JUDGEMENTS

- **Section- 54F Date of commencement of construction of new house**

One of the conditions u/s 54F is that construction of house is required to be completed within a period of 3 years after date of sale of original asset. It is not stipulated or indicated in the Section that the



construction must begin after the date of sale of the original/old asset. Section 54F is a beneficial provision and is applicable to an assessee when the old capital asset is replaced by a new capital asset in form of a residential house. Once an assessee falls within the ambit of a beneficial provision, then the said provision should be liberally interpreted.

CIT vs. Bharti Mishra [2014] 41 (Delhi)

➤ **Section- 35(1)(iv) Expenditure on development of software**

Assessee purchased software and expenditure for purchase of software was treated as capital in nature. Latter expenditure was also incurred on further development of software. It was held that such expenditure is also capital in nature. It was also held that development expenditure is on account of scientific research. The expenditure in respect of the scientific research, even if it is capital in nature as it was incurred in relation to the business carried on by the assessee under Section 35(1) (iv) of the Act, the said expenditure is to be deducted.

CIT vs. Talisma Corporation (P.) Ltd. (Karnataka)

INDIRECT TAX

SERVICE TAX

➤ **Synopsis Of Notifications, Circulars & Letters**

CST Mumbai vide Trade Notice no. 21/13- 14- ST dated 11th march, 2014 has issued guidelines for rectifying the mistake of payment of service tax deposited under wrong accounting code and wrong service tax registration code. In case of service tax paid under wrong accounting code, the assessee should inform deputy commissioner (technical), office of the commissioner of service tax-i, Mumbai, 115, new central excise building, M.K.

Marg, church gate, Mumbai – 400020, in writing along with the copy of service tax paid challan and other information in the prescribed format, to rectify their mistake. In case of service tax paid under wrong assessee code/service tax registration code,

which might happen on account of either having multiple service tax codes on same pan for different branches or on account of error committed by the assessee's chartered accountant or consultant, there is no mechanism for the transfer of the amount. However, the assessee can resort to rectify these mistakes by:-

- Adjustment under rule 6(4a) of the service tax rules, 1994, against the liability of subsequent month or quarter, as the case may be.
- The assessee may file a refund application under section 11b of the central excise act 1944 for the amount wrongly paid within the time limit prescribed under the law. CBEC vide internal communication letter f. No. 275/05/2014- cx.8a dated February 19th, 2014 has communicated the decision of Hon'ble Allahabad High Court in the case of *CCE Vs J P Transformers (2013) TIOL 1152* on the validity of Section 35C (2A) of the Central Excise Act, 1944.

Hon'ble HC has held that "Though we are conscious of the pendency of the appeals and workload assigned to the Principal Bench as well as various Benches of CESTAT, we are of the view that entire object and purpose of insertion of sub-section 2A in Section 35C by Section 140 of the Finance Act, 2002 (20 of 2002) w.e.f. May 11, 2002 and third Proviso by Finance Act, 2013 will stand defeated, if the waiver of pre-deposit is granted indefinitely. The judgment in *Kumar Cotton Mills Pvt. Ltd. (supra)* cannot be interpreted to give powers to the Tribunal to extend the order of waiver of pre-deposit indefinitely."

It is also stated in the said letter that the above decision would be useful to the Revenue in effecting recoveries of arrears where stay orders have been issued by CESTAT and the appeal itself is not decided within 365 days of such stay order. In terms of Section 35C (2A) of the Central Excise Act, 1944.

CENTRAL EXCISE



Rule 5B has been introduced vide Budget 2012, which provides refund of credit in case of Reverse Charge mechanism. Notification No. 12/2014 has been issued to prescribe procedure and conditions to avail refund the same. The said Notification specifies the refund shall be allowed only in case of renting of motor vehicle, supply of manpower and service portion in execution of works contract. Further, it provides that refund application can be done twice in a year, post filing Service Tax returns. It also mandates that the amount of credit which is applied for refund shall be debited to credit register. The refund is allowed only for post July, 2012 period. Detailed procedure and forms for filing the refund application have been prescribed in the said Notification. (Notification No. 12/2014-CE (NT) dated March 3rd, 2014).

➤ **Withdrawal of Notification 5/2012 CE (NT)**

The powers were given to Member (Central Excise), CBEC under Notification 6/2012 CE (NT) dated February 13th, 2012 to withdraw facility of CENVAT Credit of a person who is involved in specified offences. Now, the powers shall rest with Chief Commissioner instead of Member (Central Excise). (Notification No. 13/2014- and 14/2014 CE (NT) dated March 21st, 2014).

➤ **Chief Commissioner can impose restrictions in certain situations instead of officer authorised by Board**

Chief Commissioner can withdraw facilities or impose restrictions as specified in the given

Notification if manufacturer, first and second stage dealer and exporter including merchant exporter prima facie found to be knowingly involved in any of following situations:-

- Removal of goods without the cover of an invoice and without payment of duty.
- Removal of goods without declaring the correct value for payment of duty, where a portion of sale price, in excess of invoice price, is received by him or on his behalf but not accounted for in the books of account.
- Taking of Credit without the receipt of goods specified in the document based on which the said credit has been taken.
- Taking of Credit on invoices or other documents which a person has reasons to believe as not genuine.
- Issuing duty of excise invoice without delivery of goods specified in the said invoice.
- Claiming of refund or rebate based on the duty of excise paid invoice or other documents which a person has reason to believe as not genuine.
- Removal of inputs as such on which credit has been taken, without paying an amount equal to credit availed on such inputs in terms of sub-Rule (5) of Rule 3 of the Credit Rules, 2004

Chief Commissioner of Central Excise may impose following restrictions on the facilities:-

- ❖ The monthly payment of duty of excise may be withdrawn and the assessee shall be required to pay duty of excise for each consignment at the time of removal of goods.
- ❖ Payment of duty of excise by utilisation of CENVAT credit may be restricted and the assessee shall be required to pay duty of excise without utilising the CENVAT credit.
- ❖ The assessee may be required to maintain records of receipt, disposal, consumption and

inventory of the principal inputs on which CENVAT credit has not been taken.

- ❖ The assessee may be required to intimate the Superintendent of Central Excise regarding receipt of principal inputs in the factory on which CENVAT credit has or has not been taken, within a period specified in the order and the said inputs shall be made available for verification up to the period specified in the order.

However, where a person is found to be knowingly involved in committing any one or more type of offences as specified above, every removal of goods from his factory may be ordered to be under an invoice which shall be countersigned by the Inspector of Central Excise or the Superintendent of Central Excise before the said goods are removed from the factory or warehouse. By way of an Explanation, it has been clarified as under

- ❖ A person against whom the order under sub-para (2) of para 4 has been passed may continue to take CENVAT credit, however, he would not be able to utilise the credit for payment of duty during the period specified in the said order.
- ❖ Principal inputs means any input which is used in the manufacture of final products where the cost of such input constitutes not less than 10% of the total cost of raw materials for the manufacture of unit quantity of a given final product.
- ❖ If the assessee commits any offence for the first time, the period of imposition of restrictions may not be more than 6 months.
- ❖ If the assessee commits any offence subsequently, the period of imposition of restrictions shall not be more than 1 year. Where a first stage or second stage dealer is found to be knowingly involved in committing the type of offence specified at clauses (d) or (e), the Chief Commissioner of Central Excise may order suspension of the registration

granted under Rule 9 of the Central Excise Rules, 2002 for a specified period.

Notification. (Notification No. 16/2014-CE (NT) dated March 21st, 2014).

CORPORATE LAWS



- **MCA General Circular No. 4/2014 dated 25th March, 2014 – Clarification with regard to Section 180 of the Companies Act, 2013**

MCA had received many representations regarding various difficulties arising out of implementation of section 180 of the Companies Act, 2013 with reference to borrowings and/or creation of security, based on the basis of ordinary resolution. After examination of the matter, the Ministry clarified that the resolution passed under section 293 of the Companies Act, 1956 prior to September 12th, 2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act. Therefore a relief has been granted to the companies to comply with the requirements.

- **MCA Notification No. – S.O(E) dated 26th March, 2014 – Commencement Notification of Companies Act, 2013**

In addition to 99 sections of the Companies Act, 2013 already notified, the Central Government has further notified 183 sections of the Companies Act

and the same would be in force from 1st day of April, 2014. The MCA has also provided a ready reckoner of applicable sections of the Companies Act 2013 vis-à-vis the 1956 Act.

➤ **Notification of various chapters of Companies Act, 2014.**

The MCA has notified various Chapters of the Companies Act 2014 which contain various Rules under the Act. The Rules will be effective from the date of their publication in the Official Gazette. The Rules are available on the MCA website.

➤ **SEBI Circular No. – CIR/CFD/DIL/1/2014 dated 25th March, 2014 – Format for Auditors' Certificate required under Clause 24(i) of the Equity Listing Agreement**

Clause 24(i) of the Listing Agreement requires that the company, while filing for approval of any draft Scheme of amalgamation / merger / reconstruction, etc. with the stock exchange under Clause 24(f), shall also file an auditors' certificate to the effect that the accounting treatment contained in the scheme is in compliance with all the Accounting Standards specified by the Central Government. SEBI observed that there is no standardization in the format of the Auditor's Certificate. Therefore standard format for Auditors' Certificate is formalised and made applicable for companies.

➤ **SEBI Circular No. – CIR/IMD/DF/05/2014 dated 24th March, 2014 – Enhancing disclosures for mutual fund products, etc.**

SEBI has framed a Long Term Policy for Mutual Funds in India which inter alia includes enhancing the reach of Mutual Fund products, promoting financial inclusion, tax treatment, obligation of various stakeholders, increasing transparency, etc. This policy issued as per the aforesaid circular would be applicable since 1st April, 2014. The circular includes requirements pertaining to disclosures of Assets under Management, votes cast by Mutual Funds, financial inclusion, development of alternative distribution channels etc.

➤ **Government launches company law settlement scheme**

Launching an 'immunity' scheme for thousands of entities having defaulted on their statutory filings under the Companies Act, the government said no penal action would be taken against those availing this offer for a period of two months. Under this 'Company Law Settlement Scheme 2014, the defaulter entities can make statutory filings for a period of two months, starting August 15, without attracting any prosecution. The scheme would come as a relief for such companies, whose numbers are estimated to be in thousands, as the new companies law provides for strong action against such entities and even directors can be disqualified for failing to make necessary annual filings.

The latest move comes against the backdrop of a large percentage of companies failing to file their statutory documents making them liable for penalties and prosecution. The Ministry, which is implementing the Companies Act that governs corporates in the country, would be launching the 'Company Law Settlement Scheme 2014' from August 15. Under the scheme, entities that are yet to file their required annual documents would be provided "immunity" from prosecution. Besides, inactive companies would get an opportunity to get themselves declared as "dormant" by filing a simple application at reduced fee.

This scheme would be in force till October 15. "Any defaulting company is permitted to file belated documents which were due for filing till June 30, 2014 in accordance with the provisions of this scheme," the Ministry said in a circular issued on 13 August 2014. Vanishing companies, entities which have already applied for striking off their names from the Register of Companies and those which have sought dormant status, would not be eligible for the scheme.

➤ **SEBI sets ball rolling for common KYC system for entire financial sector**

To facilitate a common KYC system for the entire financial sector, Securities and Exchange Board of India (SEBI) on 11 August 2014 notified norms that will allow sharing of know-your-client details with entities regulated by other financial sector watchdogs. So far, the facility of sharing of KYC information was available only among SEBI-registered intermediaries. KYC information of nearly 2 crore investors in the capital markets is available on the centralized KRA (KYC registration agency) system of SEBI. Under the SEBI system, a client who has already done the KYC with any SEBI registered intermediary need not undergo the same process again when he approaches another intermediary. Earlier, the market regulator had said that a common KYC process for the entire financial sector would help reduce the paperwork and bring down cost of operations for the investors as well as for the intermediaries.

FEMA

➤ **Export Data Processing and Monitoring System (EDPMS) for Export of Goods and Services A.P. (DIR Series) Circular No. 109**

RBI has vide A.P. (DIR Series) Circular No. 101 informed the AD Banks about new comprehensive IT- based system called Export Data Processing and Monitoring System (EDPMS) which has been developed for better monitoring of export of goods and software and facilitating AD banks to report various returns through a single platform. The EDPMS has now been operationalised with effect from February 28th, 2014 and the same would be available to AD banks with effect from March 1st, 2014. The user credentials for accessing the system have already been shared with the AD banks. Henceforth, the entire shipping documents should be reported in the new system and old shipping documents would continue to be reported in the old system till completion of the cycle. Both the old and new systems will run parallel to each other for some time before the old system is discontinued. This will be advised to AD banks separately.

➤ **Money Transfer Service Scheme (MTSS) – ‘Direct to Account’ facility A.P. (DIR Series) Circular No. 110 dated March 4th, 2014**

To facilitate receipt of foreign inward remittances directly into bank account of the beneficiary, RBI has decided to allow foreign inward remittances received under MTSS to be transferred to the KYC compliant beneficiary bank account through electronic mode, such as NEFT, IMPS, etc.

➤ **Rupee Drawing Arrangement – Increase in trade related remittance limit A. P. (DIR Series) Circular No. 111 dated March 13, 2014**

The limit of trade transactions has been increased from the existing 2,00,000/- (Rupees Two Lakh only) per transaction to 5,00,000/- (Rupees Five Lakh only) per transaction, with immediate effect in respect of the Permitted Transactions under the Rupee Drawing Arrangements (RDAs).

➤ **Foreign Portfolio Investor – Investment under Portfolio Investment Scheme, Government and Corporate debt A.P. (DIR Series) Circular No. 112 dated March 25th, 2014**

The extant guidelines for Portfolio Investment Scheme for Foreign Institutional Investor (FII) and Qualified Foreign Investor (QFI) have since been reviewed and RBI has been decided to put in place a framework for investments under a new scheme called ‘Foreign Portfolio Investment’ scheme. The salient features of the new scheme are:-

- Under the new scheme, the portfolio investor registered in accordance with SEBI guidelines shall be called as ‘Registered Foreign Portfolio Investor (RFPI)’ and the existing portfolio investor class, namely, Foreign Institutional Investor (FII) and Qualified Foreign Investor (QFI) registered with SEBI shall be subsumed under RFPI;
- RFPI may purchase and sell shares and convertible debentures of Indian company through registered broker on recognised stock exchanges in India as well as purchases shares

and convertible debentures which are offered to public in terms of relevant SEBI guidelines/regulations. The terms of selling and acquiring shares or convertible debentures by an RFPI can be referred in the said circular available on RBI website.

- The individual and aggregate investment limits for the RFPIs shall be below 10% or 24% respectively of the total paid-up equity capital or 10% or 24% respectively of the paid-up value of each series of convertible debentures issued by an Indian company. Further, where there is composite sectoral cap under FDI policy, these limits for RFPI investment shall also be within such overall FDI sectoral caps;
- RFPI shall be eligible to open a Special Non-Resident Rupee (SNRR) account and a foreign currency account with Authorised Dealer (AD) bank and to transfer sums from foreign currency account to SNRR account at the prevailing market rate for making genuine investments in securities. The AD bank may transfer repatriable proceeds (after payment of applicable taxes) from SNRR account to foreign currency account;
- RFPI shall be eligible to invest in government securities and corporate debt subject to limits specified by the RBI and SEBI from time to time;
- The investment by RFPI will be made subject to the SEBI (FPI) Regulations 2014, modified by SEBI/Government of India from time to time;
- RFPI shall be permitted to trade in all exchange traded derivative contracts on the stock exchanges in India subject to the position limits as specified by SEBI from time to time;
- RFPI may offer cash or foreign sovereign securities with AAA rating or corporate bonds or domestic Government Securities, as collateral to the recognised Stock Exchanges

for their transactions in the cash as well as derivative segment of the market.

Any foreign institutional investor who holds a valid certificate of registration from SEBI shall be deemed to be an RFPI till the expiry of a block of 3 years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995. A QFI may continue to buy, sell or otherwise deal in securities subject to the SEBI (FPI) Regulations, 2014 for a period of 1 year from the date of commencement of these regulations, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier. However, all investments made by that FII/QFI in accordance with the regulations prior to registration as RFPI shall continue to be valid and taken into account for computation of aggregate limit. RFPI shall report the transaction to RBI as being reported by FII in LEC Form as per extant practice.

➤ **External Commercial Borrowings (ECB) for Civil Aviation Sector A.P. (DIR Series) Circular No. 113 dated March 26, 2014**



RBI had vide A.P. (DIR Series) Circular No. 113 dated April 24th, 2012 allowed ECB to be raised by airline companies for working capital as a permissible end-use, under the approval route, subject to the conditions stipulated in the said Circular. The scheme was extended till December 31, 2013 vide A.P. (DIR Series) Circular No. 116 dated June 25th, 2013. On a review, RBI has decided that this scheme of raising ECB for working capital for Civil Aviation Sector will continue till March 31, 2015. All other conditions stipulated in aforesaid

Circular dated April 24th, 2012 shall remain unchanged.

POLICY WATCH

➤ **Election commission allows RBI to announce new bank licences**

The Election Commission (EC) of India has allowed the Reserve Bank of India (RBI) to give in-principle approvals to start new banks. They will only be the third set of private sector lenders. The approvals will be valid for 18 months, during which the two companies will have to comply with rules stipulated by RBI. Twenty five others applied, including Reliance Capital backed by Anil Ambani and Aditya Birla Nuvo backed by the Aditya Birla Group.

➤ **Banks get stick for lapses in realty deals at foreign branches**

The Reserve Bank of India (RBI) has urged banks to stick to policies approved by their respective boards while investing in real estate or carrying out transactions related to realty at overseas branches. The directive has come after the central bank learnt of lapses by Indian banks in the purchase/sale of real estate as well as in acquiring/ letting out property on lease/ rental basis at some overseas locations. In order to avoid such lapses in future it is advised that Boards of Directors of banks should lay down policies and formulate detailed operational guidelines to protect the interest of their respective banks.

➤ **Department of Atomic Energy gets go ahead for Kudankulam agreement**

The Election Commission has given clearance to the Department of Atomic Energy to sign an agreement with its Russian counterpart for unit 3 and 4 of Kudankulam Nuclear Power Plant project (KKNPP). The agreement could be signed as early as this month. Units 3 and 4 of the KKNPP were stuck over the liability clause.

➤ **Ministry of Finance supports opening up online retailing to foreign single-brand firms**

The Ministry of Finance (MoF) has advocated that foreign single-brand retailers be allowed to accept orders on email, citing the example of the good old postcard which is still being used for purchases by customers in far-flung areas under Value Payable Post (VPP). The MoF has written to the Department of Industrial Policy and Promotion (DIPP) to initiate formal inter-ministerial consultations on foreign investment in e-commerce after the DIPP turned down French sports goods maker Decathlon's plea to deliver goods on emailed orders. Foreign single-brand retailers have a dedicated consumer base and mandatory sourcing for those with 100% ownership will only lead to increased sourcing of goods from the country.

➤ **Promotion of healthcare comes under CSR ambit**

The activities undertaken by corporate to promote healthcare will be considered as social welfare activity under the new company's law that came into effect this month. Under the Companies Act, 2013, certain class of companies is required to spend at least 2 per cent of three year annual average net profit towards Corporate Social Responsibility (CSR) activities. Companies would need to spend two per cent of their three-year average annual net profit on CSR activities in each financial year, beginning 2014-15 fiscal.

➤ **RBI shifts to CPI-based Real Effective Exchange Rate**

The Reserve Bank of India (RBI) will start using Consumer Prices Index (CPI) as the inflation benchmark for valuing the rupee against other currencies. The rupee's value is set by the market, but the central bank tracks its relative value, known as the Real Effective Exchange Rate (REER), as a guidepost. As per Central Bank the consumer price index would now be used to arrive at the rupee's value on a REER basis.

➤ **IRDA to allow distributors to have multiple tie-ups with insurers**

The Insurance Regulatory and Development Authority (IRDA) are set to allow distribution companies to have multiple tie-ups with insurers. The Insurance Marketing Firm would be licensed by the Authority to engage Insurance Sales Person (ISP) for the purpose of marketing all kinds of insurance products. It could also engage Financial Service Executive (FSE) in marketing of mutual fund products, pension products and financial products authorized for sale by investment advisers under the Securities Exchange Board of India (SEBI) Regulations. The capital requirements for insurance marketing firms have been spelt out. The Applicant should have a net worth of not less than USD 0.02 million whether it is a company, LLP or a partnership firm.

➤ **IMF for more public and private investment in India**



International Monetary Fund (IMF) has called for more public and private investment to close infrastructure gaps in countries like India. Public investment has taken a hit over the years in many countries. In Brazil, India, South Africa, and across the ASEAN countries, more public and private investment is essential to close infrastructure gaps. Investment to upgrade existing infrastructure networks is also needed in a number of the advanced economies, for instance, in Germany and the US.

➤ **New companies law becomes reality with robust governance norms**

New Companies Act came into force by ushering in far-reaching changes in the way corporate are governed and interest of investors are protected in the country. Right from compulsory spending on social welfare activities to mandatory requirement of woman director on boards to stronger disclosure regime, the Companies Act, 2013 has been finalized after exhaustive consultations with various stakeholders including general public. To protect the interests of investors; the government has made it mandatory for public deposit-taking companies to insure such deposits, among others. It is spread across 470 sections, 29 chapters and 7 schedules, a voluminous legislation. To ensure robust corporate governance framework, the law requires companies to mandatorily rotate their auditors, who would also have to report suspected fraud to the board.

➤ **RBI allows foreign investors to hedge currency risks**

The Reserve Bank of India (RBI) has allowed overseas investors to hedge their currency risk in local exchanges, which will lower entry costs for foreigners. They will have to remain invested in Indian debt for at least a year to avail this facility. To drive out yield-chasing, short-term investors from the debt market, the RBI barred them from investing in treasury bills, where most of the foreign money has rushed in. Foreign investors have invested up to USD 5.76 billion in Indian debt so far this year, much of it in short-term treasury bills. Foreign investors can invest up to USD 30 billion in government papers, out of which investment limit for treasury bills is USD 5.5 billion. Also, the overseas investors have exhausted 87.16% of their treasury bills limit.

INDUSTRY WATCH & CORPORATE HIGHLIGHT

➤ **India and China to collaborate on building semi-high speed rail**

India and China would look at collaborations in semi-high speed rail and building world class

railway stations. India will receive training inputs for heavy haul operations. The ministry of railways also has plans to develop high-speed rail network, in which China has already seen success. In November 2012, the two countries had signed a Memorandum of Understanding (MoU) on technical cooperation in the railways sector that would remain in force for 5 years. As per the MoU, both countries will enhance mutual cooperation across various areas of rail technology including high speed rail, heavy haulage, and station development.

➤ **Japan to give USD 2.51 billion development assistance for Delhi Metro**

Government of Japan and Government of India have signed the Official Development Assistance (ODA) loan agreement for five projects totaling more than USD 2.51 billion. The loan agreement will include three energy sector projects new and renewable energy, micro, small, and medium enterprises energy saving, and Haryana Distribution System Up gradation. The completion of the project will extend the length of network to 329.4 km and will transform Delhi Metro into a global standard urban transportation system, comparable to the Tokyo metro.

➤ **Leather exports up 17.5% in April-January**

Leather exports from India have increased by 17.5% during the April-January period of this fiscal against the comparable period of the 2012-13 financial years. Shipments also increased to USD 4,861.29 million against USD 4,138.13 million, bolstered chiefly by leather footwear exports which contributed an increase of USD 244.53 million. Germany kept its position as the top importer, buying 13.09% of the goods exported, while the US and the UK bought close to 11.5% each. India will meet its target of USD 6 billion in exports during fiscal 2013-14. During February-March, exports usually rush to meet deadlines, which lead to a spurt in shipments.

➤ **RBI relaxes rough diamond import norms**

The Reserve Bank of India (RBI) has lifted restrictions on a number of mines abroad, to which advance remittances can be extended for import of roughs. Banks may use their own discretion to extend advance remittance to Indian importers in favor of global miners. Based on recommendations from the Gems & Jewellery Export Promotion Council (GJEPC), RBI had in 2007 notified five global miners of roughs including Diamond Trading Company, Rio Tinto, UK and BHP Billiton, Australia to which an importer was allowed to make advance remittance without any limit and without a bank guarantee or standby letter of credit for import of roughs. At present, banks extend remittances to foreign miners on behalf of importers before the dispatch of consignments.

➤ **Airbus and Enaer sign agreement**

Airbus and Enaer have signed a co-operation agreement in Chile to expand their existing joint business in aircraft maintenance and upgrading. There by boosting activities such as the C212 aircraft maintenance centre and the upgrading of the fleet of C101 aircraft. As part of its policy of establishing Maintenance, Repair & Operations (MRO) Network, the European aerospace company has, for this purpose, identified Enaer as a possible preferred local partner for the maintenance of aircraft sold by Airbus Defence and Space and belonging both to the Chilean fleet and to other countries in Latin America.

➤ **Future Group ties up with hybris for online synergy**

Future Group is tying up with SAP company hybris, whose Omni-commerce technology solutions will make all of Future Group's brands available online. Future Group is adapting this technology that will allow the group to converge its digital and physical channels. The overall investment in this B2C enabler (typically an e-commerce platform) is about USD 16.52 million and is spread over the next 18 months. Under Omni-channel retail operations, apart from ordering products online, customers can view the

inventory, book products and collect the packaged order from the nearest store.

➤ **HCL Info systems ties up with Hamilton Beach**

HCL Info systems Ltd, and US-based kitchen appliance brand Hamilton Beach have signed a distribution tie-up for premium appliances categories. Hamilton Beach and HCL Info systems are targeting a 10% market share in the premium organized kitchen appliance market in the next four to five years. The overall small electronic appliance market is about USD 1.65 billion in India, of which USD 0.99 billion is organized. The organized home appliances market is around USD 49.33 million and is growing at 30%. India has emerged as one of the key potential markets for Hamilton globally.

➤ **JBIC to funnel Japanese investors into GMR Infra projects**

JAPAN Bank for International Cooperation (JBIC) has signed an agreement with Bangalore-based GMR Infrastructure for financial help to Japanese companies investing in infrastructure projects of GMR Group. The objective of this MOU is to provide low cost long duration financing for infrastructure development projects that involve Japanese companies in development of industrial parks, power, energy, ports, airports, highways and railway projects. Over the next 12 months, GMR and JBIC will work on identifying projects to attract Japanese investments.

➤ **ONGC Videsh signs MoU with Argentina's YPF**

ONGC Videsh Ltd (OVL), the overseas arm of India's biggest state-owned explorer Oil and Natural Gas Corp. Ltd (ONGC), has signed a memorandum of understanding (MoU) with Argentinean oil major YPF SA for collaboration in the oil and gas sector. The MoU involves working together in the oil and gas exploration and production sector in Argentina, India and other developing countries. The two companies will also collaborate in research and

development and human resource development projects in the upstream sector.

➤ **Reliance Foundation & University of Chicago join hands**

Reliance Foundation, the philanthropic arm of Reliance Industries, India's largest private-sector company, and the University of Chicago have announced a collaboration to develop innovative technology that will help train medical students and clinicians for better diagnosis and improved healthcare. The partnership will develop cloud-based software applications that can train medical professionals using case studies written by experienced physicians and state-of-the-art clinical reasoning methods. The collaboration is also supporting doctors in real time with evidence based clinical decision-making tools

➤ **L&T Construction bags orders worth USD 0.17 billion**



L&T Construction secured orders worth USD 0.17 billion across business segments in March, 2014. Its buildings and factories segment got orders worth USD 96.07 million for construction of a mixed-use development project in Luck now and for a community centre in Bengaluru. The transportation infrastructure segment got an order worth USD 52.98 million for the design, engineering, and construction of an elevated road between Jinzira Bazaar and Batanagar, on the Budge Trunk Road in Kolkata. In the power transmission and distribution business, L&T has bagged an order worth USD 20.12 million from the Odisha Power Transmission\

Corporation for 33 sub-stations of 11 kV each, as well as associated lines for the Odisha distribution system strengthening project.

➤ **Lupin buys Mexican firm**

Lupin Ltd has acquired Mexican ophthalmic drugs maker; Laboratorios Grin SA for an undisclosed sum. Laboratorios Grin is the fourth largest pharmaceutical company in Mexico in the eye care segment, with sales of USD 28 million in 2013. The acquisition marks Lupin's entry in the high growth Mexican and the larger Latin American drugs market. Mexico is one of the fastest growing pharmaceutical markets in the world with a total market worth of at least USD 13.5 billion. This is growing at 9-10% annually. Laboratorios Grin has 275 employees, including a 130-member sales force. It owns a manufacturing and research and development facility in Mexico City. Its factory has accreditations from various regulatory agencies and it supplies products to some 10 countries in central and Latin America. This acquisition is a reflection of Lupin's commitment to expand into the Latin American market and build its global specialty business.

➤ **NTPC commissions 3 more solar units**

NTPC has commissioned a 5 Mega Watt (MW) solar PV power station at Faridabad and 10-MW solar PV unit at Unchahar; and a 30-MW solar PV power station at Rajgarh. With this development, the installed capacity of non-conventional energy projects of NTPC has shot up to 75 MW and the total installed capacity of NTPC Group is now at 43,019 MW. NTPC has informed the BSE that the Unit 2 of 500 MW of Mouda Super Thermal Power Station, Stage-I, was declared for commercial operation from March 30, 2014. With this the total commercial capacity of Mouda Super Thermal Power Station now stands at 1,000 MW.

➤ **Suzlon acquires wind-park from US Edison Mission Energy**

Suzlon Group has acquired Big Sky wind-park from US-based Edison Mission Energy (EME) for an

undisclosed amount. The Pune-based group has acquired the park through its wholly-owned US subsidiary Suzlon Wind Energy Corp (SWECO). The wind park, situated in Illinois, consists of 114 S88 turbines. Following this acquisition, Big Sky will become Suzlon's biggest wind park in the US and one of the best performing installations in the country. EME is engaged in power generation, while SWECO is a manufacturer of customized industrial separation equipment, has 13 screen and separator manufacturing facilities and over 100 screen and separator service offices surrounding the globe.

➤ **E-auction system set to continue for one more year in Karnataka**

E-Auction system for sale of iron ore is set to continue for one more year in Karnataka as the state government and steel industry players have expressed support for its continuation. The Karnataka government, in its affidavit filed before the Court recently, indicated that it was willing to take over the operation of e-auctions and set up a monitoring committee to supervise the e-auction process. The continuation of e-auction system is significant as it would ensure buoyancy in the collection of royalty revenue for the state government. The system has brought in transparency in the collection as well as led to removal of under invoicing by the miners.

➤ **IT, petrochemicals and healthcare to spur India-GCC trade**

With the Gulf Cooperation Council (GCC) countries firming up projects worth USD 450 billion in 2014. Indian investors have huge opportunities for investment in knowledge and skill based services, particularly in IT field. Qatar, UAE and Kuwait are expected to implement projects worth more than USD 70 billion, USD 85 billion and USD 70 billion respectively in 2014. On the bilateral trade between GCC and India, the trade increased by 8% in 2012-13 as compared to previous year over USD 159 billion.

➤ **India sign agreement with Russia to share diamond trade data**

India has signed a Memorandum of Understanding (MoU) with Russia to source data on diamond trade between two countries. The agreement between both countries was signed in Russia by the Gem and Jewellery Export Promotion Council and Russian Government-owned diamond mining firm Alrosa which accounts for close to 25% of the world output. India accounts for about 60% of global polished diamond output in value terms. India imported 163.11 million carats of rough diamonds worth USD 16.34 billion and exported 36.46 million carats of polished diamonds worth USD 20.23 billion in 2013. Indian exported gems and jewellery worth USD 36.04 billion last year. Russia produced 34.9 million carats of rough diamonds in 2012. The Reserve Bank of India (RBI) has recently liberalized financing for rough diamond imports by allowing banks to favor of any global miners.

➤ **Online retail swells to USD 12.6 billion with one million traders**

Online retail in the country touched USD 12.6 billion in 2013. India has about one million online retailers small and large which sell their products through various e-commerce portals. These retailers sell products across categories such as electronics, books, apparel, accessories, footwear and jewelry. The presence of such a large number of online sellers testifies to the efficiency, lower capital costs and deep outreach that the online marketplace provides to the retailers.

➤ **Ashland opens pharma research facility in Hyderabad**

Ashland Speciality Ingredients, part of Ashland Inc, has opened a centre of excellence focused on pharmaceuticals in Hyderabad. The expertise offered would be pre-dominantly in oral solid dosage form and a range of technical services for drug companies. It is in a leased facility in Alexandria City, near the ICICI Knowledge Park on the outskirts of the city. With 20 scientists and about 25 Indian customers,

the facility is the third for Ashland. Ashland has invested up to USD 10 million in India in its two centres of excellence new pharma in Hyderabad and existing personal care in Mumbai. India promises big opportunities for Ashland's sectors of global business coatings and energy, food and beverage, pharma, personal care, construction materials and oilfield service.

➤ **BS bags EPC orders worth USD 119.75 million**

BS Limited has bagged several orders worth USD 119.75 million from various power utilities, including in Madhya Pradesh. The Hyderabad-based infrastructure and Engineering, Procurement and Construction (EPC) services provider in the power sector has got an order for turnkey EPC contracts for 220 kv and 132 kv transmission lines and associated sub stations in Madhya Pradesh. The projects, funded by the Asian Development Bank, are aimed at strengthening the grid and enhancing transmission capacity, bringing in much needed electricity to the region to meet the growing domestic and industrial demand.

➤ **Crompton Greaves bags contract to supply equipment to PGCIL**

Crompton Greaves Ltd has bagged a contract from Power Grid Corporation of India Ltd (PGCIL) to supply six sub-station automation systems (SAS) in Jharkhand. The SAS is intended to help monitor and improve Power Grid's transmission capacity across the state. Greaves would supply six 220/132/33 KV ZIV 61850 sub-station systems to PGCIL's Govindpur, Manoharpur, Jaduguda, Dalbhumgarh, Jamtara and Rourkela units. The scope of the contract also includes manufacturing and supply of ZIV protection and control relays, automation systems and engineering services.

➤ **Suez Environment bags 3 contracts worth Euros 61 million**

Suez Environment, a French multinational firm, has won three contracts worth Euros 61 million to water distribution system and construction of drinking

water plant in Mumbai, Pune and Bangalore. The company also won a contract worth Euros 11 million from the Water Supply and Sewage Board of Bangalore for designing and operating two wastewater treatment plants. The two proposed plants are in Chikkabanavara and in Kadugodi and are part of a bilateral funding agreement between the Japanese International Cooperation Agency (JICA) and the Government of India. Suez Environnement is present in India for over three decades through its subsidiary Degremont India. Degremont has designed and built over 150 water treatment plants across the country (and operates 18 of them) that supply 5 billion liters.

➤ **Companies have to comply with CSR norms: Government**

Government will keep close watch on social welfare spending by corporates to check whether they are complying with Corporate Social Responsibility (CSR) norms under the new companies law. Certain classes of profitable companies are required to spend at least two per cent of their three-year average annual net profit towards CSR activities. The norms came into force from April 1 2014. Replying to questions in Rajya Sabha, Minister of State for Corporate Affairs Nirmala Sitharaman said the Companies Act, 2013 came into operation this year only and the government was watching the spendings under CSR.

INDIAN ECONOMY AT A GLANCE

➤ **Government clears 22 FDI proposals**

The Foreign Investment Promotion Board has approved 22 Foreign Direct Investment (FDI) proposals worth USD 576 million. These include proposals from Telenor, Norway, KSK Energy and Religare Credit. The biggest FDI proposal cleared by the FIPB came from KSK Energy which sought to issue warrants to its foreign promoter worth USD 174 million. Telecom company Netmagic' USD 94.97 million plan for increasing foreign equity and

Religare Credit Invest Trust's USD 82.58 million proposals were also cleared. Telenor's proposal worth USD 12.88\ million to increase stake in its Indian subsidiary Telewings to 100% from 74%, was also approved.

➤ **Steps initiated for corporatization of major ports**

India's major ports and has started the process for appointment of a world-class consultant to come out with a draft report for amendments in the relevant act do so. The move is aimed at infusing professionalism in the major ports in order to make them compete with private sector ports as well empower financial autonomy. To revamp the top 12 ports, the Centre has already asked them to prepare land data base by October and come up with concrete plans by January next year to achieve international operating standards.

➤ **Private sector participation in smart cities allowed**

Government is about to finalize the policy for implementing its plan to convert 100 existing cities into smart cities. This will involve large-scale participation of the private sector. The government is also looking at building bylaws and floor area ratio (FAR) norms closely to find a way to optimally utilize existing land in the country. Apart from the 100 existing cities that will be retrofitted to smart cities, the government is also considering developing three-four green-field cities.

➤ **Government to increase dearness allowance to 107%, up from 100%**

Government is likely to approve a hike in Dearness Allowance (DA) to 107% from the existing 100%, benefiting around 3 million Central government employees and its 5 million pensioners. The average rate of retail inflation for industrial workers from July 1, 2013 to June 30, 2014 works out to be 7.25%. Thus the Central government will hike dearness allowance for it employees by 7%.

➤ **Bangladesh and India for co-operation in the field of medicine & homeopathy**

Bangladesh and India for co-operation in the field of medicine & homeopathy BANGLADESH and India will collaborate in the field of traditional systems of medicine and homeopathy. A Memorandum of Understanding (MoU) was signed between the two countries for bilateral cooperation. This will be of immense importance to both countries considering their shared cultural heritage. The MoU shall also provide a structured frame work for the promotion of Indian traditional systems of medicine and homeopathy in Bangladesh.

➤ **Indian engineering exports to Iran, Turkey, Jordan rise**



India's engineering exports to Iran, Turkey and Jordan have grown significantly year-on year growth in July. The engineering exports to the three neighbours in July were USD 343 million, as against USD 141 million a year ago. For the first four months (April-July) of 2014-15 fiscal, the outbound shipments to these destinations were close to USD 1.4 billion - more than double in the year-ago period. Turkey witnessed 89% expansion in engineering exports from India to USD 155 million in July, from USD 82 million a year ago.

RBI simplifies ECB norms

The Reserve Bank of India (RBI) on 27 August 2014 simplified external commercial borrowing (ECB) norms. The central bank also allowed companies to raise fresh funds through ECBs where the average maturity period (AMP) exceeds the residual maturity of the existing ECB under automatic route, with certain riders. RBI said the company should meet the conditions like all-in-cost of fresh ECB must be less





than that of the all-in-cost of existing ECB. Consent of the existing lender must also be available. Other conditions include the refinancing shall be undertaken before the maturity of the existing ECB and the borrower must neither be in the RBI's defaulter list and nor under the investigation of the Directorate of Enforcement (DoE). Companies are allowed to refinance existing ECB by raising fresh ECB at lower all-in-cost on condition that the outstanding maturity of the original loan is maintained. ECB for investment, especially infrastructure sector, is under automatic route and does not require RBI or government approval

➤ **RBI tightens norms for lending against shares**

Reserve Bank of India on 21 August 2014 prescribed rules including loan-to value ratio for non-banking finance companies (NBFCs) to lend against shares. Banking regulator took this step to avoid volatility in capital market triggered by offloading of shares by NBFCs. Under new rules, finance companies will have to keep Loan to Value (LTV) ratio of 50% in loans given against shares. NBFCs have in place their own internal controls for lending against shares including a loan to value (LTV) ratio. But there are anecdotal evidences of volatility in the capital market being the result of offloading of shares by NBFCs, RBI said in statement.

RBI said finance companies can accept only group I securities as collateral for loans of value more than Rs 5 lakh and it would review this norm. There have also been instances of over-exposure by NBFCs to certain stocks and over leveraging of borrowers. At present, lending against shares carried out by NBFCs is not subject to specific instructions apart from the general prudential regulation for all NBFCs.

Lending against shares could be in the normal course where shares are accepted as collateral or as part of their capital market operations. NBFCs lend either by way of pledge of shares in their favour, transfer of shares or by obtaining a power of attorney on the demat accounts of borrowers, RBI said.

Statutory compliance calendar for the month of April 2013			
Due date	Statutory compliance under Act	Particulars	Governing Authority
			
07/04/2013	SEBI	Quarterly report for grievances of beneficial owners related to depository services to depositories	The securities and exchange board of India Act-1992
	NBFC-D	Monthly return of exposure to capital markets in form NBS-6 by NBFC having total assets of 100 crore and above	Reserve Bank of India.
	NBFC-ND-SI	Monthly return of source and application of funds, profit and loss account, asset classification	Reserve Bank of India.
	SEBI	Quarterly certificate on demat/remit shares to depositories	The securities and exchange board of India Act-1992
10/04/2013	Central Excise	(a) Monthly central excise return in form ER-1/ER-2 by other than SSI. (b) Quarterly return by SSI in form ER-3 (c) Quarterly return by assesses paying 1%/2% excise duty and not manufacturing any other goods in form ER-8.	Central Board of Excise and Custom
	Central Excise	Monthly return of receipts and consumption of Principal Inputs by specified manufacturers of excisable goods in form ER-6	Central Board of Excise and Custom
	NBFC-ND-SI	Monthly statement of short term dynamic liquidity in form NBS-ALM1	Reserve Bank of India.
	NBFC-D	Quarterly submission of Monetary and Supervisory return in form NBS-5 by NBFC having public deposits of ` 20 crore and above as per last audited balance sheet	Reserve Bank of India.
15/04/2013	Income Tax	(a) Quarterly Income Tax TDS/TCS statement in form 24Q/26Q/27EQ (Other than Government) (b) Quarterly return in form 27Q in respect of TDS from interest, dividend or any other sum payable to non-residents	Central Board of Direct Tax.

	Provident Fund	(a) Payment of monthly dues of Provident Fund for the month of March (b) Monthly return in form 5 for employees joining Provident Fund during March along with declaration in form 2 furnished by the employees (c) Monthly return of Provident Fund in form 10 of employees leaving the service during March	The Central Board of Trustees, The Employees' Provident Fund Scheme, 1952
	SEBI	Quarterly Corporate Governance Compliance Certificate by listed companies to stock exchanges under clause 49(VI) (ii) of Listing Agreement.	The securities and exchange board of India Act-1992
	Central Excise – Dealers	First stage dealer and second stage dealer to submit quarterly return	Central Board of Excise and Custom
	NBFC-D	(a) Quarterly Return of Statutory Liquid Assets in form NBS-3 by NBFC (NBS-3A by RNBFC) only if they are accepting public deposits (b) Quarterly report of frauds involving ` one lakh or more in form FMR-3 and frauds outstanding in form FMR-2.	Reserve Bank of India.
21/04/2013	SEBI	Quarterly return of shareholding pattern to stock exchange as per clause 35 of Listing Agreement	The securities and exchange board of India Act-1992
	ESIC	Payment of ESIC contribution for the month of March	The employees' state insurance Act-1948. Ministry of labour and employment.
25/04/2013	Provident Fund	Monthly contribution statement (abstract) in form 12A, along with copy of receipted challans regarding payment of contribution.	The Central Board of Trustees, The Employees' Provident Fund Scheme, 1952
	Service Tax	Half Yearly filling of service tax return in Service Tax-3	Central Board of Excise and Custom
30/04/2013	Income Tax	Deposit of Income Tax TCS and TDS deducted in March	Central Board of Direct Tax.

Glossary

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

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

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