

Tax & Corporate law Bulletin

RJA

RAJPUT JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

aitc
association of international
tax consultants



RJA

COMMITTED TO
PROVIDE
INNOVATIVE
SOLUTIONS

Rajput Jain & Associates
is a Chartered

Accountant firm, offering its clients a full range of services. The firm has been setup by a group of young, enthusiastic highly skilled and motivated professional who have taken experience from the top consulting firm and are extensively experienced in their chosen fields. The firm has been providing a wide array of accounting, auditing, taxation, assurance and business advisory service to various clients and other stakeholders.

We are the exclusive member in India of the **Association of International Tax Consultants**, an Association of independent professional firm represented throughout Europe, US, Canada, South Africa, Australia and Asia.

December 2017

From the Editor's Desk...

Dear Reader,

Greetings for the season,

The GST Council in its 24th Meeting held on 16th December 2017 through video conference recommended implementation of much awaited Electronic Way Bill (eway bill) system in the country. E-way bill is an electronic way bill for movement of goods which can be generated online through the GST portal. and read many more ...

We eagerly await your feedback on the bulletin.

Yours truly,

Rajput Jain & associates

Chartered accountants

For further details,

Please contact....

CA. Swatantra Singh

singh.swatantra@carajput.com

CA. Sushil Singh

sks_978@carajput.com

CA. Navneet Gupta

info@carajput.com

CA. Manoj Kumar Singh

support@carajput.com



Your partners
for success



Individually, we are one Drop; Together we are an Ocean

3/333

0001

Table of contents

DIRECT TAX 3-7

RECENT JUDGEMENT 4-7



INDIRECT TAX 7-10

GOODS AND SERVICES TAX 7-10



CORPORATE LAW 10-14

SEBI 14



POLICY WATCH 14-15

***INDUSTRY WATCH & CORPORATE
HIGHLIGHT*** 15-17



COMPLIANCE CALENDER 18

GLOSSARY 19

“Adapting swiftly to the
global business environment”



DIRECT TAX



➤ Government extends aadhaar-bank a/c linking deadline to March 31, 2018

Press Release, dated 8th December 2017

Under the provisions of recently introduced section 139AA of the Income-tax Act, 1961 (the Act), with effect from 01.07.2017, all taxpayers having Aadhaar Number or Enrolment Number are required to link the same with Permanent Account Number (PAN). In view of the difficulties faced by some of the taxpayers in the process, the date for linking of Aadhaar with PAN was initially extended till 31st August, 2017 which was further extended upto 31st December, 2017.

It has come to notice that some of the taxpayers have not yet completed the linking of PAN with Aadhaar. Therefore, to facilitate the process of linking, it has been decided to further extend the time for linking of Aadhaar with PAN till 31.03.2018.

➤ Direct Tax Collections for Financial Year 2017-18 show Growth of 14.4% upto November, 2017 .

Press Release, dated 10 December 2017

The provisional figures of Direct Tax collections up to November, 2017 show that net collections are at **Rs. 4.8 lakh crore** which is **14.4%** higher than the net collections for the corresponding period of last year.

The Net Direct Tax collections represent **49%** of the total Budget Estimates of Direct Taxes for the Financial Year. 2017-18 (Rs. 9.8 lakh crore). Gross

collections (before adjusting for refunds) have increased by **10.7%** to **Rs.5.82 lakh crore** during April-November, 2017. Refunds amounting to **Rs. 1.02 lakh crore** have been issued during April, 2017 to November, 2017.

➤ Constitution of Task Force for drafting a New Direct Tax Legislation

During the RajaswaGyanSangam held on 1st and 2nd September, 2017, the Prime Minister Shri Narendra Modi had observed that the Income-tax Act, 1961 (the Act) was drafted more than 50 years ago and it needs to be re-drafted. Accordingly, in order to review the Act and to draft a new Direct Tax Law in consonance with economic needs of the country, the Government has constituted a Task Force with the following Members:

- (i) Shri Arbind Modi, Member (Legislation), CBDT - Convener
- (ii) Shri Girish Ahuja, practicing Chartered Accountant and non-official Director, State Bank of India;
- (iii) Shri Rajiv Memani, Chairman & Regional Managing Partner of E&Y;
- (iv) Shri Mukesh Patel, Practicing Tax Advocate, Ahmedabad;
- (v) Ms. Mansi Kedia, Consultant, ICRIER, New Delhi;
- (vi) Shri G.C. Srivastava, Retd. IRS (1971 Batch) and Advocate.

Dr. Arvind Subramanian, Chief Economic Adviser (CEA) will be a permanent Special Invitee in the Task Force.

The Terms of Reference of the Task Force is to draft an appropriate Direct Tax Legislation keeping in view:

- (i) The direct tax system prevalent in various countries,
 - (ii) The international best practices.
 - (iii) The economic needs of the country and
 - (iv) Any other matter connected thereto.
- The Task Force shall set its own procedures for regulating its work and shall submit its report to the Government within six months.

➤ **Release of Income Tax Return Statistics for AY 2015-16.**

Press Release, dated 20th December 2017

Central Board of Direct Taxes(CBDT) has been proactively releasing Time-series Data relating to Direct Tax collections, number of taxpayers, cost of collection etc., as also data of number of PAN allotted and data relating to distribution of income and tax payable in the returns filed for different Assessment Years. In this series, analysis of income declared and tax payable for Assessment Years 2012-13, 2013-14 and 2014-15 has already been released by CBDT last year and the updated Time-series Data has already been released earlier this year. In continuation of its efforts to place more and more information in public domain, CBDT has further released data relating to distribution of income and tax payable in respect of returns filed for Assessment Year 2015-16. With this release, detailed income-tax data for four recent assessment years (apart from Time-series Data from FY 2000-01 to FY 2016- 17) have become available in public domain enabling researchers, scholars, policy makers, students and all other stakeholders to make a better analysis of the trends in incomes and tax payments. The reports containing the released data are available at www.incometaxindia.gov.in.

➤ **Income Tax Department suspends an officer for harassing the taxpayer**

Press release December 2017

A complaint was received making serious allegations against Shri D. K. Meena, Deputy Commissioner of Income Tax, posted at Surendranagar in Gujarat Region for harassing a taxpayer in a scrutiny case with malafide intention. The officer was alleged to have demanded illegal gratification through the taxpayer's Chartered Accountant for favorably completing the assessment. The audio recordings of conversations were also received which, inter alia, mention the bribe amount being demanded by the officers of the Department for settling the case. In order to verify the veracity of the allegations, case records were requisitioned immediately by the Vigilance

Directorate of CBDT. On examination of the case records, serious lapses and irregularities were found which led credence to the allegations made against the officer. The matter is under investigation. The Department has zero tolerance to such malpractices and corruption. Pending investigation, the officer has since been placed under suspension.

RECENT JUDGEMENTS



➤ **Compounding fee for permissible deviation of building plan is allowable. Dated 11th December 2018**

Keerthi Estates (P) Ltd. Vs. DCIT (ITAT Hyderabad)

Compounding fee charged on account of deviation of building plan within approved limits could not be classified as penalty charged for violation of law, therefore, same was deductible in assessee's hands.

Assessee- builder had undertaken execution of certain project. As it was not possible to complete the project as per the proposed plan, the assessee made payment of compounding fine to approving authority to regularize the building plan. AO held that such compounding fine was in the nature of penalty charged for violation of law and, therefore, not deductible. Assessee's case was that extent of deviation was within permissible limits. Held: No housing project can be completed without any deviation. The question is the extent of deviation. In assessee's case it was within permissible limits, the approving authorities, allowed compounding the deviation by levying compounding fees, classifiable as penalty charged for violation of certain Rules curable by compounding. As assessee had not been penalized for violation of law, compounding fees was deductible in its hands.

➤ **Concept of mutuality in the light of Bangalore Club 350 ITR 509 (SC) explained**

CIT vs. Air Cargo Agents Association Of India (Bombay High Court)

The contributions made by the members to the assessee cannot be a subject matter of tax merely because the part of its excess of income over expenditure is invested in mutual funds.

Amongst the members of the Bangalore Club were certain banks. The Bangalore Club have invested its excess funds in member banks as well as non member banks in form of fixed deposits and earned interest thereon. It held that till the surplus funds were generated and was used only amongst the members/contributors, the complete identity between contributors and participants continued.

However, it is to be noted that it did not result in the Bangalore Club being taxed on all contributions of its members. The case of the Revenue here is that having invested excess amounts in mutual funds the concept of mutuality would not extend to the contribution made by the members of the association even though the contributions are used to achieve the objectives of the association. However as held in Bangalore Club (supra), it cannot result in the respondent being charged to tax on the contribution received from its members.

➤ **Mere non-introduction of interest-bearing funds is not sufficient to conclude that gains from sale of shares are not business income**

Pine Tree Finserve Pvt. Ltd vs. CIT (Bombay High Court)

The Tribunal, observed that there are various factors such as frequency, volume, entry in the books of accounts, nature of funds used, holding period etc. which are relevant in deciding the true nature of transactions and no single factor is conclusive. Thus, mere non-introduction of interest bearing funds will not alone determine the nature of the transactions. The impugned order, after analyzing the statement of capital gains which were available before it, came to

the conclusion that most of the shares have been sold within 30 days of its purchase and upheld the order of the CIT (A).

In view of the above, we see no reason to interfere with the above concurrent findings of fact which has not been shown to perverse or arbitrary.

➤ **Rule 46A of the Income Tax Rules which regulates the admission of additional evidence by the CIT(A) cannot override the principles of natural justice**

AvanGidwani vs. ACIT (ITAT Mumbai)

The assessee could collect various evidences only after passing of the assessment order. According to the assessee, these additional evidences are vital documents which are required to be considered in order to adjudicate the issue in a judicious manner. The principle “Audi alteram partem”, i.e. no man should be condemned unheard is the basic canon principles of natural justice and accordingly we find merit in the contentions of the assessee that Rule 46A of the Income Tax Rules cannot be over ride the principles of natural justice.

Hence we are of the view that the learned CIT(A) was not justified in refusing to admit the various additional evidences furnished by the assessee. Since the assessee was not given opportunity to contradict the findings given by the AO by not admitting the additional evidences, we are of the view that the Ld CIT (A) should re-adjudicate all the issues afresh by admitting the additional evidences.

➤ **Section 48: Interest on borrowed money utilized for acquiring shares can be capitalized as cost of acquisition**

DCIT vs. Fritz D. Silva (ITAT Mumbai)

The controversy before was as to whether the interest paid by the assessee on loans taken for acquiring the shares in the past can be allowed as a deduction u/s 48 as cost of acquisition while computing capital gain on sale of such shares. In the case before the Hon’ble Madras High Court, the assessee was carrying on the business of investment in shares/securities and the profit derived from sale of shares was held subject to

capital gains. Apart from other issues, the Revenue had contested the order of the Tribunal wherein the assessee was allowed the interest liability incurred on borrowings utilized to acquire the shares, while determining the cost of acquisition of shares for the purpose of computing capital gain. The Hon'ble High Court affirmed the decision of this Tribunal that the interest payable on moneys borrowed for acquisition of shares should be added to the cost of acquisition of shares for the purpose of computing capital gains. The assessee had also asserted before the CIT(A) without rebuttal, that the interest cost so incurred in the past was not claimed as a deduction against any other income. Therefore, having regard to the factual findings of the CIT (A), in our view, the legal position as propounded by the Hon'ble Madras High Court in the case of Trishul Investments Ltd (supra) supports the plea of the assessee that interest paid for acquisition of the shares would partake the character of cost of shares and, therefore, assessee had rightly capitalized the interest along with the cost of acquisition for the purpose of computing capital gains.

- **Transfer Pricing - alleged excess investment in share capital of wholly owned subsidiary cannot be termed as loan and notional interest charged thereon**



Topsgrup Electronic Systems v ITO (ITAT Mumbai)

The Tribunal deleted TP addition on account of

- a) alleged excess consideration paid on investment in share capital of wholly owned subsidiary re-characterized as loan
- b) and notional interest thereon on the ground that
 - i. Chapter X of the Act is inapplicable to an international transaction on capital account

which does not result in income chargeable to tax and

- ii. Re-characterisation of the transaction is not permitted under the Act, and
- iii. That potential income, to qualify as income subject to transfer pricing under the Act, should arise from the impugned international transaction which is before the TPO for consideration and not out of a hypothetical transaction that may or may not take place in the future.

INDIRECT TAX

GOODS AND SERVICES TAX



- **Decisions made in the 24th GST Council Meeting**

The GST Council in its 24th Meeting held on 16th December 2017 through video conference recommended implementation of much awaited Electronic Way Bill (eway bill) system in the country. E-way bill is an electronic way bill for movement of goods which can be generated online through the GST portal. A registered dealer / supplier of goods can cause movement of goods worth Rs 50,000 or more in value by generating an e-way bill on the common GST portal.

Highlights of the decisions taken by the GST Council in its 24th Meeting:

- ❖ Nationwide e-way bill system will be deployed on a trial basis by 16th January, 2018

- ❖ Traders and transporters can start using e-way bill system on voluntary basis from 16th January 2018 onwards
- ❖ Rules for implementation of nationwide e-way bill system for inter-State movement of goods to be notified with effect from 1st February, 2018
- ❖ While the e-way bill generation for both inter-State and intra-State movement of goods will be ready by 16th January, 2018, the States have been provided flexibility to choose their own implementation date by 1st June, 2018.

➤ Monthly and Quarterly GSTR 1 (Return for Outward Supply) made available on GST Portal for filing

Monthly GSTR 1

- ❖ Taxpayer having aggregate turnover of more than Rs. 1.50 crore in previous financial year are required to file monthly GSTR 1.
- ❖ Taxpayers, who have opted for monthly filing of GSTR 1, can do so for the month of July, August, September, October and November 2017, sequentially.
- ❖ Return for a particular period can be filed if corresponding returns (GSTR 3B and GSTR 1) for the previous months have been filed.
- ❖ Once opted for the monthly filing, there can be no change under this option for the remaining part of the financial year 2017-18.

Quarterly GSTR 1:

- ❖ Taxpayer having aggregate turnover of upto Rs. 1.50 crores in previous financial year can file quarterly GSTR 1 or monthly GSTR 1 at their option.
- ❖ Taxpayers, who have opted for quarterly return and have filed the GSTR 1 of July 2017, have to file GSTR 1 for August and September 2017 by choosing the Return period „September 2017“.
- ❖ Taxpayers, who have opted for quarterly return and have not filed the GSTR 1 of July 2017, have to first file GSTR 1 for July 2017 and then

file GSTR 1 for August and September 2017 by choosing the Return period „September 2017“.

- ❖ Once opted for the quarterly filing, there can be no change under this option for the remaining part of the financial year 2017-18

➤ Amendment in gst registration

Registration under GST was mandatory for entities undertaking inter-state supply of goods and/or services, irrespective of aggregate annual turnover. In the 22nd GST Council, it has been decided to exempt service providers from this condition. Hence, service providers will now be allowed to undertake inter-state sales of upto Rs.20 lakhs without obtaining GST registration. Further, this is exemption is also available for service providers supplying services through an e-commerce operator.

But person supply goods will still be required to obtain GST registration mandatorily (in case of inter -state supply)

➤ Gst composition scheme

This scheme is intended for small businesses where compliance less.22nd GST Council has decided to increase the aggregate turnover to Rs.1 crore. (The aggregate turnover threshold for special category States, has also been increased to Rs. 75 lacs from Rs. 50 lacs excepts J&K and Uttarakhand)

Person opting for composition scheme was restricted from providing any exempted/taxable service .but now a composite can provide exempted service also.



Composition Levy In GST

In 23rd GST council meeting the due date for enrolling under the increased threshold has been

made available to both migrated and new taxpayers up to 31.03.2018.

The GST rate payable by GST Composition dealers has been harmonized for all taxpayers (traders or manufactures) at 1%. However, not change has been announced on the GST rate for composition scheme for restaurants.

GSTR 4 return must be filed by taxpayer registered under the GST composition scheme. GSTR4 is a quarterly return that was originally due on the 18th of month following respective quarter. But in 23 council meeting composition returns, GSTR-4 due date extended to 24 /December/2017 for July-September quarter

➤ **Reverse Charge Mechanism**

Registered taxpayers were required to pay GST on reverse charge basis when they purchased from an unregistered person, the 22nd GST Council has decided to suspend the reverse charge mechanism till 31.03.2018. Now, registered taxpayers can purchase from unregistered persons without having to pay GST on reverse charge basis.

➤ **TDS and TCS Provisions Postponed**

The Government has decided to postpone the TDS/TCS registration and operationalization to 31st March 2018.

➤ **Gstr-3b Return**

GSTR-3B return will have to be filed by all taxpayers in addition to GSTR-1, GSTR-2 and GSTR-3 return. Earlier, GSTR-3B returns were to be filed for the month of July to December 2017.

IN 23rd council meeting, it has been announced that GSTR-3B return must be filed for all months from July 2017 to March 2018. The due date for GSTR-3B return will be the 20th of every month.

Late fees for GSTR-3B of July, Aug. and Sept waived. Any late fees paid for these months will be credited back in electronic cash ledger under Tax and can be utilized to make GST payments

➤ **REDUCTION OF GST RETURN PENALTY**

In addition to the waiver of GST Return Penalty, the Government has also announced a reduction in GST return penalty for NIL GST returns. From October 2017, the GST return penalty for not filing NIL GST return has been reduced to Rs.20 per day instead of Rs. 200 per day.

➤ **GST on Advances Received**

In 22nd GST Council, it has now been decided that taxpayers having annual aggregate turnover up to Rs. 1.5 crores will not be required to pay GST at the time of receipt of advances on account of supply of goods.

➤ **E-Way Bill**

As per E-Way bill rules, any transportation of goods with a value of more than Rs.50, 000 would



require an e-way bill. The GST council in earlier meeting in October had decided that E-way bill would be introduced in staggered manner from January 1 and subsequently nationwide from April 1.

In the recent 24th GST council meeting was finally decided that the e-way bill is now introduced and will be applicable from 1st February 2018 across the nation. The nationwide e-way bill system will be ready to be rolled out on trail basis latest by 16 January 2018. Trade and transporters can start using thi system on voluntary basis from 16 January 2018.

➤ **NOTIFICATION NO. 67/2017 – CENTRAL TAX DATED 21ST DECEMBER 2017**

the heading as referred to in the Additional Notes in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975)'

In the principal rules, in rule 3, for the words "Central Excise Tariff Act Heading", occurring at both the ptacbs, tfri words "Customs Tariff Act Heading" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017' In the principal rules, in the Annexure, in Form cRA-2, Form CRA-3 and Form.CRA4, for the .CETA Heading", wherever it occurs, the words "CTA Heading" shall be substituted and shall be deemed to have b6en substituted with effect from the '1st day of July, 2017'

➤ **Condonation Of Delay Scheme, 2018 (General Circular No.16/2017 Dated 29/12/2017)**

As par sec 92 of the Companies Act, 2013 provides that every company shall prepare an annual return in the prescribed form. The Annual return shall be signed by a director and the company secretary, or where there is no company secretary, by a company secretary in practice. Every company shall file with the Registrar a copy of the annual return, within sixty days from the date on which the annual general meeting is held.

Disqualification of a director

As par sec164 (2) provides that no person who is or has been a director of a company which has not filed financial statements or annual returns for any continuous period of three financial years shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

Sec- 167(1) (a) provides that the office of a director shall become vacant in case he incurs any of the disqualifications specified in sec-164 i.e., failure to file annual returns for any continuous period of three financial years.

Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 provides that

every director shall inform to the company concerned about his disqualification, if any, under section 164 (2) in Form DIR – 8

Action of MCA in disqualifying directors.

The Ministry of Corporate Affairs in September 2017 identified 3, 09,614 directors associated with the companies that had failed to file the financial statements or annual returns in the MCA 21 online registry for a continuous period of three financial years 2013 – 14, 2014 – 15, 2015 – 16 in terms of provisions of section 164(2) read with section 167 (1) (a) of the Act and they were barred from accessing the online registry. A list of such directors was also published on the website of Ministry of Corporate Affairs.

Condonation of delay scheme, 2018Consequent of the action made by MCA disqualifying the directors of the companies, there have been a spare of representations from industry, defaulting companies and their directors.

The Ministry of Corporate Affairs has announced a onetime settlement scheme for companies that saw over three lakh directors disqualified from their boards, with a view to giving an opportunity for the non-compliant defaulting companies to rectify the default

This scheme is applicable to all defaulting companies, other than the companies which have been struck off or whose names have been removed from the register of companies under section 248(5) of the Act. A defaulting company is permitted to file its overdue documents which were due for filing till 30.06.2016 in accordance with the provisions of this scheme.

Defaulting companies

The expression 'defaulting company' is defined as a company which has not filed its financial statements or annual return as required under the Companies Act, 1956 or Companies Act, 2013, as the case may be, and the Rules made there under for a continuous period of three years.

Overdue documents

The expression 'overdue documents' is defined as the financial statements or the annual returns or other associated documents, as applicable, in the case of a defaulting company.

The following are the overdue documents-

- ❖ Form No. 20B/MGT-7 – Form for filing Annual return by a company having share capital;
- ❖ Form 21A/MGT-7 – Particulars of Annual Return for the company not having share capital;
- ❖ Form 23AC, 23ACA, 23AC-XBRL, 23ACA-XBRL, AOC – 4(CFS), AOC (XBRL) and AOC - 4 (non-XBRL) – Forms for filing balance sheet/financial Statement and profit and loss account;
- ❖ Form 66- Form for submission of compliance certificate with the Registrar;
- ❖ Form 23B/ADT – 1 – Form for intimation for appointment of auditors.

PROCEDURE

Procedure to be followed under this scheme-

- ❖ The DINs of the disqualified directors deactivated shall be temporarily activated during the validity period to enable them to file the overdue documents;
- ❖ The defaulting company shall file the overdue documents paying the statutory filing fee and additional fee payable.
- ❖ The defaulting company after filing the documents under this scheme shall seek condonation of delay by filing e-CODS 2018 along with a fee of –Rs 30,000/- as prescribed under the Companies (Registration Offices and Fee) Rules, 2014 well before the last date of the scheme
- ❖ The DINs of the directors associated with the defaulting companies that have not filed their overdue documents and the e-form CODS and these are not taken on record in the MCA – 21 registry and are still found to be disqualified on the conclusion of the scheme shall be liable to be deactivated on the expiry of the scheme.
- ❖ If the name of the company is removed from the register of companies under sec-248 of the Act

and if the said company has filed application for revival under sec-252 up to the date of the scheme, the Director's DIN shall be re-activated only NCLT order of revival subject to the company having filing all overdue documents.

Period of the scheme

The scheme shall come into force with effect from 01.01.2018 and shall remain in force up to 31.03.2018.

Powers of Registrar

The Registrar concerned shall withdraw the prosecution(s) pending if any before the concerned court(s) for all documents filed under the scheme.

This scheme is without prejudice to action under section 167(2) of the Act or civil and criminal liabilities, if any, of such disqualified directors during the period they remained disqualified.

At the conclusion of the scheme the Registrar shall take all necessary actions under the respective Act against the companies who have not availed themselves of this scheme and continue to be in default in filing the overdue documents

The e-Form CODS 2018 would be available from 20.02.2018 or an alternate date, which will be intimated by the ministry.

➤ **Companies Amendment Bill, 2017 Passed In Rajya Sabha**

- ❖ Name reservation in case of new company Incorporation shall be valid for 20 days from date of approval instead of 60 days from the date of application.
- ❖ In case of Change of Name of existing Company, Name Reserved by the ROC shall be valid for 60 days from the date of Approval.
- ❖ Partnership firm, LLP etc. with 2 or more partners (previously 7) can be converted into Private Limited Company.
- ❖ Every company shall have registered office within 30 days of incorporation instead of current requirement to have registered office within 15 days.

- ❖ Notice of every changes of situation of the registered office shall be given to ROC within 30 days instead of 15 days as currently provided.
- ❖ Sweat equity shares can be issued at any time currently it can be issued after 1 year from commencement of business.
- ❖ In addition to Directors & KMP, any employee of the company can also authenticate company documents as authorized.
- ❖ Annual General Meeting of unlisted company can be held anywhere in India.
- ❖ Wholly owned subsidiary (WOS) of a company incorporated outside of India is now allowed to hold EGM outside India.
- ❖ No central govt. approval required for payment of remuneration in excess of 11% of net profit.
- ❖ Money received under the private placement shall not be utilized unless the return of allotment is filled with the ROC.
- ❖ Companies which have defaulted in repayment of deposits, can also also accept deposits after a period of 5years from the date of making good the default.
- ❖ An amount being not less than 20 % of the amount of deposits, maturing during the following financial year be deposited on or before the 30th day of April each year and kept in a separate bank account [i.e. deposit repayment reserve account].
- ❖ Central govt. Can provide any other number to be treated as DIN like Aadhar or Pan.
- ❖ Requirement related to resident director director eased i.e.' stay in India for a total period not less 182 days during the financial year' .
- ❖ Requirement of filing of form DIR 11 (Filing of a copy of resignation to ROC by director itself) made optional.
- ❖ Where a director incur any of disqualification under section 164(2) due to default of filing of financial statement or annual return or repayment of deposit or pay interest or other mentioned in section, than he shall be vacate office of the director in all the companies other than the company which is in default.
- ❖ Eligibility for doing CSR to be determined based on preceding "Financial Year" instead of "three preceding Financial year";
- ❖ The requirement related to annual ratification of appointment of auditor by members is omitted.
- ❖ The Requirement of MGT-9 i.e. extract of Annual Return to form part of Board's Report, has been omitted. Instead the copy of Annual Return shall be uploaded on the website of the Company, if any, and its link shall be disclosed in the Board's Report.
- ❖ CG will prescribe an abridged Board Report for One Person Company and small company.
- ❖ Disclosure which have been provided in the financial statement shall not be required to be reproduced in the Board Report again.
- ❖ Disclosure by promoters and top 10 shareholders with respect to 2% change in shareholding in a listed company has been omitted.
- ❖ In case delay in filing documents, fact or information required to be submitted under section 92 (Annual Return) or 137 (copy of financial statement), after expiry of prescribed period a flat additional fee of Rs.100 per day shall be paid instead of slab wise additional fee.

SEBI



भारतीय प्रतिभूति और विनियम बोर्ड
 Securities and Exchange Board of India

➤ Government enhances governance for Mutual Funds

Government takes steps to strengthen the governance structure for Mutual Funds vide a circular dated 30 November 2017. Guidelines issued with respect to Tenure of Auditors, Independent Trustees and Independent Directors. They can hold the office for a maximum of 2 terms (each term cannot be of more

than 5 consecutive years). Independent Directors & Trustees can be re-appointed after a cooling off period of 3 years, while cooling off period for Auditors is 5 years.

➤ **Categorization and Rationalization of Mutual Fund Schemes**

SEBI, vide Circular dated 6 Oct 2017, issued guidelines regarding categorization and rationalization of Mutual Fund Schemes. The said Circular has been partly modified vide Circular dated 4 Dec 2017. Additional requirement for preparing the single consolidated list of stocks, average full market capitalization of the previous six month of the stocks shall also be considered. Mutual Funds are further required to submit their proposals to SEBI after obtaining due approvals from their Trustees as early as possible but not later than December 15, 2017. All other conditions specified in SEBI circular dated October 06, 2017 shall remain unchanged.

POLICY WATCH



➤ **SahajBijliHarGharYojana – Saubhagya Scheme launched in Jammu and Kashmir**

Jammu and Kashmir govt. has launched SahajBijliHarGharYojana (Saubhagya Scheme) across the state. Subsequently, this scheme will provide free electricity connections to all the poor citizens of the state. Central govt. has already launched this scheme in the country to provide electricity to around 4 crore rural households across the country till December 2018. Accordingly, Jammu & Kashmir state govt. decides to launch this scheme to provide electricity connections.

The state govt. will provide these electricity connections at just Rs 500 which are to be paid in

10 installments in bill. This scheme is basically to empower poor and economically weaker sections of the society. Henceforth, all the rural households whose names appear in the SECC-2011 data can avail these connections.

➤ **Center Scheme To Open Fast Track Courts For Trial of Politicians (MPs & MLAs)**

Supreme Court of India approves the Center Scheme to setup fast track courts for trial of Politicians. Under this scheme, all the MPs and MLAs will be tried for the criminal cases against them. Accordingly, this move is to ensure that the cases of various law-makers end within one year. Henceforth, central government will open 12 fast track courts for the trial of 1581 politicians.

As per the directions of Supreme Court, these special courts must start functioning from 1 March 2018. These fast track courts will hear more than 13,500 pre admitted criminal cases against MLA and MPs.

Under this scheme, 2 courts will hear the cases against 228 MPs and the remaining 10 courts will get opened in 10 states where the total number of cases against MLAs exceeds 65. Furthermore, Central government will spend Rs 7.8 crore among states where courts are to get opened for the successful implementation of this scheme.

➤ **Khelo India Programme (2017-20) for Athletes Training to be launched by Central Govt**

Ministry of Youth affairs and Sports, India is going to launch Khelo India Programme. Under this Revamped Khelo India Scheme, govt. will provide training to the athletes and their coaches to raise their performance at the international level (Olympics). Accordingly, these games will be the best tournament organized at the school level. The central govt. will spend Rs 1756 crore on this revamped Khelo India scheme for the period 2017-18 to 2019-20.

Col. RajyavardhanRathore (Minister of State, I/C) announced that Central govt. is going to select 1000 athletes under 'Pan Indian Sports Scholarship Scheme'. Moreover, govt. will provide financial assistance and resources of up to Rs 5 Lakh for 8 years. In addition to this, govt. will add 1000 athletes in every upcoming year. Subsequently, the primary

objective of this scheme is to promote "Sports for All".

This program aims at mainstreaming sports for the development of individuals, community, economy and thus promote national development. As per the statement, this will mark a 'Watershed Movement' in the history of sports. This scheme will cover around 200 million children in the age group of 10-18 years

INDUSTRY WATCH &CORPORATE HIGHLIGHT



➤ **Okinawa Praise Electric Scooter India Launch Highlights**

Electric two-wheeler manufacturer, Okinawa Autotech, has announced a new electric scooter for the Indian market. Christened the Okinawa Praise, this is the second scooter from the company after the Okinawa Ridge, which was launched in India early this year in January. The new Okinawa Praise e-scooter will be available for booking from November 24, in all authorised showrooms across India for a token of 2000. The new Praise e-Scooter is Okinawa's premium offering and it will be positioned above the Ridge and will be launched in India next month.

Commenting on the company's latest offering, Okinawa spokesperson Jeetender Sharma said, "With Praise, Okinawa's research has finally found a tangible shape. Across the industry, it would be one of the most complete e-scooters ever built, with a combination of superlative design and technology that gives it immense power. Every feature in 'Praise' has been added after careful consideration of the needs and preferences of riders that immensely facilitate their commuting experience. We firmly believe that 'Praise' will receive overwhelmingly positive reviews from users and be

the harbinger for a new age of e-vehicle revolution on Indian roads."

- While not much is revealed about the new Okinawa Praise yet, the company claims that the new Praise will clock the highest speed and the longest range yet achieved by an e-scooter. The company also claims that the scooter will offer better performance, mileage,. On the features front, the new Okinawa Praise will come with side stand sensors with an inbuilt safety feature, the Anti-theft sensor in the main stand mode, Combi brakes and more.
- **Coca-Cola India launches Maaza Gold; aims to become US \$1 billion brand by 2023**

With the launch of Maaza Gold, the company is expanding its product portfolio in line with consumers' taste. The company at the same time is also accelerating Maaza's journey towards becoming a homegrown billion dollar brand by 2023," Kesavan, Director Marketing –Juices, Coca-Cola India & South West Asia was quoted by PTI as saying.According to a PTI report: The Coca-Cola Company said, it along with its bottling partners in India, procures approximately 1 lakh metric tone of mango pulp annually."In 2023, if Maaza becomes the first US \$1 billion juice drink brand from India, the Coca-Cola system in India will be able to procure 2 lakh metric tonne of mango pulp annually, worth nearly Rs 1,100 crore, thereby helping 1,00,000 farmers," it added.

The new variant 'Maaza Gold' offers thicker and smoother mango drink.

In 1993, Coca-Cola India acquired Maaza along with brands such as thumpsUp andlimca from Parle Bisleri. Last month, Coca-Cola India said it expects Thums Up to be a US \$1 billion brand in the next two years. It also introduced a new variant

‘ThumsUp Charged’, the first ever variant to the 40-year-old carbonated drink brand.

- **Maggi compliant with latest FSSAI norms, no ash added: Nestle**



According to a PTI report: District administration of Shahjahanpur, UP, had slapped a fine on Nestle India and its distributors last week after Maggi had allegedly failed to pass the lab test and found ash content above the permissible limits for human consumption. “Nestle wishes to categorically state that we do not add ash in any form whatsoever during the manufacturing process of its Maggi noodles,” Chairman and Managing Director, Nestle India, Suresh Narayanan told PTI. Speaking on the sidelines of a CII event here, he said the company has received the order of the district administration and will decide on the future course of action after studying it. We are fully compliant with the latest FSSAI guidelines which were issued in August-September this year...” he was further quoted by PTI as saying.

He declined however to comment further saying that the matter is sub-judice. In June 2015, Nestle India withdrew Maggi noodles from the market. It had relaunched them in November after it went off the market for five months due to a ban by FSSAI over alleged presence of lead beyond permissible limits.

- **LT Foods to invest US \$20 mn for branding, expansion in Europe**



Leading basmati rice firm Lt foods will invest US \$20 million for branding and expansion in Europe, as it eyes a six times increase in sales from the branded segment over the next four years. The company is extensively working on expanding its geographical footprints and product portfolio in these markets and plans to invest US \$20 million with increased sales from the current 5,000 tonnes to 30,000 tonnes in the branded segment over the next four years, it said in a statement. LT Foods, which sells basmati rice under Daawat brand, has been focusing on Europe as the next growth region and has recently opened a new plant in Rotterdam, Netherlands to cater to both Europe and UK.

“In the next two years we are eyeing to gain 5 per cent market share in the branded segment of this region with distribution expansion and continuous brand investments. This will help to take the growth to the next level and achieve the aspired targets,” Chairman, LT Foods, Vijay Kumar Arora said in a statement here. It will also introduce new packaging across all its Daawat rice variants for a fresh shelf presence by march 2018 in the region. The company which has presence in 65 countries, clocked a consolidated revenue of Rs 3,300 in financial year 2016-17.

Statuary compliance calendar for the month of December 2017

| Due Date | Statuary Compliance Under Act | Particulars | Governing Authority |
|------------|-------------------------------|--|--|
| | | | |
| 7/12/2017 | CHALLAN NO 281 | Due date for deposit of tax deducted /collected for the month of November, 2017 | Income Tax |
| 11/12/2017 | GSTR-5 | Due date of GSTR-5 for Non-resident Taxable person for the months of July, Aug, Sep & Oct 2017 | Goods And Services Tax |
| 15/12/2017 | GSTR -5A | Due date of GSTR-5A for Non-resident Taxable person to supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient for the months of July, Aug, Sep & Oct 2017 | Goods And Services Tax |
| | FORM 24G | Due date for furnishing of Form 24G by an office of the Government where TDS for the month of November, 2017 has been paid without the production of a challan | Income Tax |
| | CHALLAN NO 280 | Third installment of advance tax for the assessment year 2018-19 | Income Tax |
| | FORM 16 | Quarterly certificate on demat/remit shares to depositories | Income Tax |
| 15/12/2017 | ONLINE | PF Payment for m/o November. | Income tax |
| 20/12/2017 | GSTR-3B | GSTR-3B for the m/o November | Goods And Services Tax |
| 21/12/2017 | ONLINE | ESIC Payment for m/o November | Employees' State Insurance Corporation |
| 24/12/2017 | GSTR-4 | Due date of GSTR-4 for Composition Dealers under GST for the quarter July-September, 2017 is extended to 24th Dec 2017 | Goods And Services Tax |
| 27/12/2017 | GSTR TRAN-1 | Due date for submission of original GST TRAN-1 | Goods And Services Tax |
| 30/12/2017 | ONLINE | Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IA for purchase of Immoveable property in the month of November, 2017 | INCOME TAX |
| 31/12/2017 | GSTR-6 | Due date of GSTR-6 (filed by an input service distributor) for the month of July 2017 has been extended to 31st Dec 2017 | Goods And Services Tax |
| | ITC 04 | Goods dispatched to a job worker or received from a job worker or sent from one job worker to another for the period from the month of July to Sep 2017 | Goods And Services Tax |
| | GSTR-1 | Due date for filing GSTR -1 for the Quarter ending Sep 2017- Applicable for taxpayers with Annual Aggregate turnover up to 1.50/- Crore | Goods And Services Tax |
| | GSTR-1 | Due date for filing GSTR -1 from the month of July to Oct 2017 —à Applicable for taxpayers with Annual Aggregate turnover More than 1.50/- Crore | Goods And Services Tax |

Glossary

| | | | |
|-------------|--|----------|---|
| AAR | Authority of Advance Rulings | LCD | Liquid-crystal Display |
| ADR | American Depository Receipt | MP | Madhya Pradesh |
| ALP | Arm's Length Price | MP | Market price |
| AO | Assessing Officer | MF | Mutual fund |
| AP | Association of Persons | MSME | Micro Small and Medium Enterprises |
| APA | Advance Pricing Agreement | NBFC | Non Banking Finance Company |
| ATM | Automated Teller Machine | NHAI | National Highway Authority of India |
| AY | Assessment Year | NPS | National Pension Scheme |
| BCD | Basic Customs Duty | NRI | Nonresident in India |
| BI | Body of Individuals | NABARD | National Bank for Agriculture and Rural Development |
| BP | Balance of Payments | OEM | Original Equipment Manufacturer |
| CA | Chartered accountant | OET Act | Odessa Entry Tax Act, 1999 |
| CAD | Current Account Deficit | PSU | Public Service Undertakings |
| CBDT | Central Board of Direct Taxes | P&L | Profit & loss |
| CBEC | Central Board of Excise & Customs | PF | Provident fund |
| CENVAT | Central Value Added Tax | POTR | Point of Taxation Rules |
| Customs Act | Customs Act, 1962 | QE | Quantitative Easing |
| CIT | Commissioner of Income Tax | QFI | Qualified Foreign Investor |
| CPI | Consumer Price Index | RBI | Reserve Bank of India |
| CSR | Corporate Social Responsibility | REF | Renewable Energy Fund |
| CD | Countervailing Duty | REIT | Real Estate Investment Trust |
| DDT | Dividend Distribution Tax | Rules | Income-tax Rules, 1962 |
| DTA | Domestic Tariff Area | SA | Standard on Auditing |
| ECB | External Commercial Borrowings | SAD | Special Additional Duty |
| ESI | Employee's state insurance | SC | Scheduled Caste |
| FDI | Foreign Direct Investment | SC | Supreme Court |
| FEMA | Foreign Exchange Management Act | SEBI | Securities and Exchange Board of India |
| FERA | Foreign Exchange Regulation Act | SEZ | Special Economic Zone |
| FII | Foreign Institutional Investors | ST | Scheduled Tribes |
| FIPB | Foreign Investment Promotion Board | ST | Service Tax |
| FPI | Foreign Portfolio Investment | STP | Software Technology Park |
| FTS | Fees for Technical Services | STR | Service Tax Rules |
| FY | Financial Year | STCG | Short Term Capital Gain |
| GDP | Gross Domestic Product | TIN | Transaction identification number |
| GDR | Global Depository Receipt | TNNM | Transactional Net Margin Method |
| GI | GOVERNMENT OF INDIA | Tribunal | Income tax Appellate Tribunal |
| GST | Goods and Services Tax | TDS | Tax Deducted at Source |
| HUF | Hindu Undivided Family | TPO | Transfer Pricing Officer |
| ICAI | Institute of chartered accountant | TED | Terminal Excise Duty |
| IFRS | International Financial Reporting Standard | VAT | Value Added Tax |
| IDR | Indian Depository Receipt | VCC | Venture Capital Companies |
| IIP | Index of Industrial Production | VCF | Venture Capital Fund |
| IRDA | Insurance Regulatory Development Authority | WPI | Wholesale Price Index |
| ITR | Income tax return | WT | Wealth tax |
| | | WB | World bank |

BUSINESS ADVISORY

- Growth Planning
- Succession Planning.
- Strategic Decision Appraisal
- Risk, Uncertainty and Change Management Services
- Strategic Decision Implementation – National and Global Platform
- Wealth Management Services.

AUDIT & ASSURANCE

- Statutory Audit including Tax Audit & VAT Audit
- Internal Audit and Concurrent Audit
- Management Audit and Operational Audit
- Cost Audit/Reviews
- System and process control reviews.
- Secretarial Audit.

RBI, FEMA, SEBI Services

- Setting up Liaison Office, Branch Office and Project Office.
- RBI Consulting
- Private Equity Finding Advisory.
- Project Financing.
- Credit Rating.
- Business Asset Valuation.
- Due Diligence.

TAXATION SERVICES

- Direct Taxation Advisory
- Service Tax, Excise duty, VAT Registration Services
- Tax Planning Strategy– Optimum use of Corporate Tax Incentives.
- Implementing and Operating in the tax consolidation regime
- Preparation of return of Income Tax, Service Tax, Excise Duty and VAT.

OUTSOURCING ACCOUNTANTS

- Annual financial report preparation
- Preparation of general and special purpose statutory accounts
- Processing Payroll
- Cash management reporting
- Accounting system reviews
- Financial analysis
- General Accounting Support, as required by client.



We are the exclusive member of in India of the Association of International Tax Consultants, an association of independent professional firms represented throughout worldwide.



Grow your business with one change

DISCLAIMER

The contents of this document are for information purposes and general guidance only and do not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice.

No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication and Rajput Jain & Associates disclaims all responsibility for any loss or damage caused by errors/ omissions whether arising from negligence, accident or any other cause to any person acting or refraining from action as a result of any material in this publication.

contact us

BRANCHES / AFFILIATES:-

The head quarter of **Rajput Jain & associates**, Chartered Accountant is located in Delhi, India. Beside this Rajput Jain & associates has presence all over India, with Nepal, and United States of America, Australia, through its associates / affiliates.

CORPORATE OFFICE

P-6/90, Connaught Place, Connaught Circus,
New Delhi-110001, India.

Phone No: -011-23343333.

DELHI BRANCH

204, Prakash Chamber, 6 Netaji Subhash
Marg, Main Road Daryaganj, New Delhi-
110002, India.

Phone No: - +91-9871857333; 011-43520194.

UTTAR PRADESH BRANCH

B-2, ShancharVihar, ITI Mankapur, District
Ghonda, Uttar Pradesh, 271308241, India.

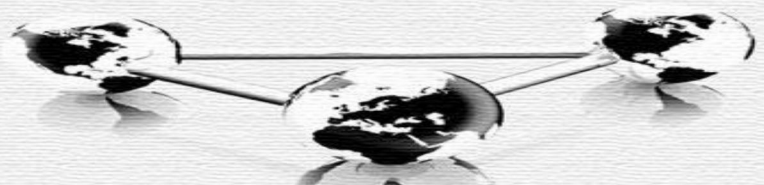
Phone No: - +91-9811322785.

NEPAL BRANCH

Building No:-65, Ward No: - 10, LakheChaur
Marg, Kathmandu Metropolitan Kathmandu,
Nepal.

FINANCE &
Accounting Solutions

Integrity, Service, Resources



While every care has been taken in the preparation of this Bulletin to ensure its accuracy at the time of publication, Rajput Jain & associates, chartered Accountant assumes no responsibility for any errors which despite all precautions, may be found therein. Neither this bulletin nor the information contained herein constitutes a contract or will form the basis of a contract. The material contained in this document does not constitute/substitute professional advice that may be required before acting on any matter.

All logos and trademarks appearing in the newsletter are property of their respective owners.

**THANKS
YOU**

FOR CHOOSING

RJA